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PUBLISHER'S NOTE

This is the British Isles Edition of "Life Insurance and How to Write It," published by Stone & Cox, Ltd., of Canada, of which over 50,000 copies have been sold.

Life Insurance and How to Sell It

INTRODUCTORY

LIFE INSURANCE AS A PROFESSION

"I believe that any man of average ability, industry and strength of character can attain, in the insurance business, an entirely satisfactory position in life. The calling is one, above all others, that has the latchstring out for young men who are beginning life without special advantages. . . . They need not have money or a higher education. They need not sit in offices waiting for business, while expenses are running on. They need not drift. There is plenty for them to do."

The words above quoted were uttered by a man of wide experience in life insurance agency work, and they are true. The life agent has a business which is unique in the splendid opportunities that it offers to men of ability and perseverance. It demands no special training, no long and costly college course. It requires no capital except industry and honesty. Most other professions are overcrowded, but the life companies have always room for agents who are willing to work. The life insurance worker has no wires to pull, no combines to fight—his success depends absolutely and only on himself. Of him it is true, if it is true of any man, that he is the architect of his own fortune. His success is bounded only by his energy, ability and perseverance. The humblest local agent may rise—yes, has often risen—to manage a large district.

Compare the position of a man entering the life insurance field with that of a doctor or lawyer who has just started to practice his profession. The professional man has paid out a small fortune in college fees, besides having spent six or seven of the best years of his life in studying for his profession. He is now qualified to earn money for himself, but must look forward to an uphill fight for many years yet, before he can hope to

obtain any worthy return for the time and money spent upon his education. The life insurance man, on the other hand, wastes not a cent on preliminary training. He studies his profession while he practices it. He gets his education while he is raking in the money. The professional man must wait for clients to come to him—the insurance agent goes after his clients.

The field is widening from year to year by reason of the gradual education of public sentiment in favour of life insurance. The day is coming when a life policy will be regarded as indispensable, not optional; when every man with a family to protect or a business to secure will consider life insurance just as necessary as boots or collar-buttons; when people will meet their premiums as a matter of course, just as they now pay their butcher bills and grocer bills. That day has not yet arrived, but it is steadily approaching. Life insurance is becoming popular. Any veteran agent will tell you that the public takes a far deeper and more intelligent interest in insurance than it did twenty years ago.

The future of the business was never so bright as at the present time; in no other calling are there greater and more numerous opportunities for men who are willing to work and persevere.

THE INSURANCE AGENT AND HIS WORK

It is a source of consolation in ill success and of satisfaction at all times to the insurance agent to be able to reflect that he is filling a useful niche in society. There are few other professions whose members have accomplished so much for their fellow men, or who can point to such tangible results of their labours. Scarcely a community can be found which does not witness instances day after day of families saved from difficulty or worse by means of life insurance. And in not one out of a hundred of these cases, probably, would there have existed any life insurance had it not been for the efforts of some insurance agent.

The insurance man does not pretend to carry on his business from purely philanthropic motives. He has his living to make, as have other men, and that is presumably his main reason for being in the business. But

the fact is not altered that his occupation is a highly honourable and useful one from the public standpoint. If thousands of families and individuals are being daily helped by means of life insurance provision, the agents who completed the business are to be thanked for it; if insurance has taught thrifty and prudent habits to multitudes of others, the field workers are again responsible; if the public have been educated to a far wider appreciation of the benefits of insurance, that also is due to long years of persevering work on the part of the men who represent the life insurance offices. We venture to aver that many an honest worker in the insurance field solaces himself in the midst of rebuffs and disappointments by considerations like these, and derives some inward satisfaction, even if no commission, from the thought that the objects he has in view are in every respect worthy, useful and beneficent.

THE FUTURE OF LIFE INSURANCE

It would be difficult to exaggerate the scope of the field which lies open before life insurance workers, and still more difficult to overestimate the yet greater prospects which lie before the business of life insurance in years to come.

Not many years ago comparatively few people understood the principles underlying the business or were familiar with its many benefits. Nowadays, most men —certainly most business men—have a fairly good grasp of the essential features of life insurance as a business proposition. Many of them will admit without argument the value and importance of life insurance. Old time prejudices and suspicions are dying out. Life insurance has " made good." And there cannot be the slightest doubt that the future will see a still greater and more general appreciation on the part of the public for the many benefits which life insurance bestows.

And finally, we may say, with reference to the future of life insurance, that the field will never be exhausted. Each successive generation offers new opportunities. Old policyholders may die off, but others are growing up to take their places. The life insurance agent, unlike Alexander, need never weep because there are no other worlds to conquer.

Characteristics of the Successful Agent

PERSEVERANCE

Perhaps there is no quality that is more necessary to the life insurance man than perseverance. Life insurance proposals never come to an agent, they have to be *won*, and then often at the expense of rebuffs, discouragements and hard knocks. Further, the returns vary from month to month, so that the results of the most systematic work are often irregular and almost spasmodic.

It is well for the man who enters the life insurance business to make up his mind beforehand that he must expect these ups and downs, and then when he meets these conditions later on there is less danger of his being discouraged. The great thing for him to guard against is lest his discouragement should rob him of any of his energy. The effect which difficulties and discouragements have upon so many young agents is to make them lose their zeal for the work; they are disappointed at the results, they lose heart, and then it's all over but the funeral. They might as well write the epitaph over their life insurance careers at once, for if there's one thing that is past revivifying, it is the agent who has lost faith in the efficacy of hard work.

How differently the experienced man conducts himself in the midst of discouraging conditions. He has realised long ago that in this business one must take the bitter with the sweet, the ups with the downs, the defeats with the successes. He has met and overcome similar temporary reverses before, and has faith enough to believe that he can win again. In the meantime he makes his present lack of success a reason for redoubling his efforts. Perseverance will bring a man through any difficulty he can meet in the life insurance business. Without perseverance, the first temporary reverse is a rock upon which the agent is liable to make shipwreck.

ENTHUSIASM

In all our undertakings, in all our plans, and in all our battles of life, there is one quality which, more than any other, is requisite to success. It is enthusiasm. Without it, we are like sailing ships without wind—engines without steam. It is the motive power which impels us to greater efforts, and directs us into new and unexplored channels.

The successful men and the great men at every period of the world's history have been men of enthusiasm. They recognised their work, they were full of their work, they were enthusiastic about their work. They put their whole heart and mind into their undertakings. Small wonder that their undertakings prospered.

It is important to every man to feel enthusiastic about his work, but to the insurance man it is doubly important. For the insurance man's business is to influence other men, and how shall he influence other men if he be not charged with enthusiasm? For enthusiasm is contagious—you can catch it quicker than the smallpox. You are interviewed by an insurance agent who carries with him this infectious germ of enthusiasm—a man full of his subject, sure of his ground, bubbling over with energy and confidence—and, before you know it, you have been infected by his enthusiasm. Another man makes the attempt, uses the same arguments, quotes the same figures, and totally fails to move you. The first agent succeeds because the current of his enthusiasm sweeps others along with him, the second fails because of his own sluggish and phlegmatic disposition.

CONCILIATION

The life insurance man who wants to succeed cannot afford to make enemies or arouse antagonism. This does not mean that he ought to "crawl," or swallow insults tamely, or wear a demeanour of meek obsequiousness. We do not mean that he should sacrifice his own self-respect for the sake of keeping on friendly terms with all men. What we do mean is that the agent should cultivate a manly spirit of friendliness and conciliation because it is essential to his business success.

The agent who is quick to take offence, whose temper runs away with him, who walks round with a chip on his shoulder, who is too thin-skinned to stand the most trifling affront, will never be successful. He must put a curb upon his temper, and be big enough to overlook petty slights upon his dignity. An angry man never closed a case yet, but the feat has often been accomplished by a friendly man who is too good-humoured to get angry and too busy to regard trifling rebuffs.

The agent who is morose in disposition and finds it difficult to smile will never be successful. Everybody would rather do business with a genial, friendly person than with a gloomy pessimist.

The agent who stands aloof, who is reserved in his manner, who won't go three-fourths of the way to meet the other fellow, will never be successful. He must come out of his shell, and make advances to other men and cultivate a friendly feeling towards all who come his way.

An insurance man's success depends upon the number of friends he possesses, and he ought to be willing in his own interests to take a little trouble to conciliate people whom he meets.

THE BEST KIND OF " ISM "—OPTIMISM

Is there a life insurance man anywhere who hasn't run up against an occasional streak of the blues? We think not, or at least we haven't met him. We all have our spells of discouragement, and discontent, when all things look gloomy and " hard luck " seems to dog us with disconcerting persistence. And yet even in the midst of our disconsolate thoughts we realise that this state of mind spells failure, that it paralyses all our efforts, and that our only hope of success lies in shaking off the fit of despondency.

Nobody can accomplish very much who is out of sorts and out of harmony with life and his surroundings; when he is grumpy; when he goes about his work in a half-hearted way and mopes. People don't like to deal with a man of that kind. They have troubles enough of their own. They would rather do business with an optimist—a man who has risen above his own

troubles and has sufficient cheerfulness left to look pleasant.

Men often discuss the question as to what qualities are most essential to success in the life insurance business, but it is impossible to name a quality more essential than the one mentioned at the head of this paragraph—*Optimism*. Cultivate—for it can be cultivated—an enthusiastic and cheerful spirit, a disposition that rebounds like a rubber ball when it goes against anything hard, that takes with a smile the hard knocks of the world, that is able to throw off temporary discouragements. The man who possesses this spirit may be cast down but he cannot be broken; he may suffer a reverse, but he cannot be defeated. In the end, he rises superior to all his discouragements, and, years after, when he looks back on the past, he sees clearly how well this resolute optimism has served him, not only in enabling him to live down his disappointments, but in winning him friends and adherents who have been attracted to him chiefly by his spirit of cheerful enthusiasm.

CONCENTRATION

Mr. Gladstone when once asked to what he attributed his marvellous success in so many departments of work, replied " Concentration."

What is concentration?

Did you ever take a magnifying glass and by its aid focus the sun's rays upon a piece of wood until it burst into flame? That is an example of concentration. The sun's beams contained just as much warmth before you produced the glass as after. But at first its heat was diffused; afterwards it was concentrated.

Did you ever, on a day when all your faculties were restless and wandering, sit down at your desk and vainly try to do some work, baffled in all your endeavours to control your aimlessly flitting thoughts, and unable to bend your energies to any purpose, until at last by virtue of a great resolve you fixed your mind upon your task and found it easy? That was a victory won by concentration. Your mind was just as strong, your thoughts just as active, when you first sat down, as afterwards. But your energies required to be centred

on one thing, instead of fluttering without aim from one object to another.

Concentration wins the day in all the avenues of life. None can stand before the concentrated man. He forgets all except the aim immediately before him, and centres all his mind upon that and that alone. "One thing at a time, and that with all my might!" is his motto. He throws himself with all his mind into each task that he undertakes. No wonder that other men who lack this power of concentration, this fixity of purpose, are outdistanced by the concentrated man.

The agent who will cultivate this faculty of concentration cannot fail of success. You will approach a client, your whole mind bent upon securing the proposal which you want—and will gain your purpose invariably, unless the other man's will is very much the stronger: and even then you will triumph if the client does not earnestly oppose his will to yours.

Cultivate this power then, on every possible occasion. It is a hard thing to do, to subordinate all minor considerations to the one aim immediately before your eyes, to curb your wandering faculties. But, because it is hard, for that very reason it is worth seeking. It is so hard to attain that the ordinary man never attains it. So much the greater will your triumph be, if you secure that which is the secret of all success—the power of concentration.

SYSTEM

Probably you have noticed that successful men are usually systematic men. More than that, systematic men are usually successful. This is true in almost every business, and especially true in life insurance canvassing.

There is no other business or profession which is so apt to generate idleness as that of the agent. The agent is his own master; he has no fixed hours of work; his time is his own. Unless he is a man of unusual force and energy of character, there is a great temptation before him to fall into loose habits of work.

The remedy against this insidious tendency can be summed up in one little sentence. "Have a system." Map out your time, determine at the beginning of each day what men you will interview, and let nothing

less important than the securing of a proposal cause you to deviate from your programme. It will be a hard thing to do. It will call for much self-denial and will-power on your part. But in the end you will have your reward. For the results of your diligent and methodical work will appear not merely in the shape of largely increased commissions, but in the greater power and efficiency that you will have acquired in your chosen profession.

Be systematic. In urging this advice, we are simply repeating what is the unanimous counsel of practically every agent who has made a success of the work. We advocate no particular system. Select the one that best suits your own circumstances. Someone has very wisely said: "Almost any system will work if the agent does."

LUCK

Luck is of our own making. Luck means minding your own business and not meddling with other people's; luck means the hardships and privations which you have not hesitated to endure, the long nights that you have devoted to work; luck means the appointments you have never failed to keep.

If you are successful all the social failures will howl at the top of their voices that you have always been lucky. You may certainly be lucky for a short time, but you cannot always be lucky any more than you can always be unlucky. The man who plays cards every day of his life will tell you at the end of the year that he has been lucky as many times as he has been unlucky.

The same in life: the only way to be lucky—that is to say, successful—is to leave nothing to chance, but to work and work again: to inspire confidence in others by the strength and uprightness of your character: to make yourself indispensable by your reliability and your devotion to your calling, pleasant by your cheerfulness, respected for your honesty and sincerity; and always to bear in mind that what can be obtained once by tricky means, can, as a rule, be obtained forever and ever by honest ones.—Max O'Rell.

HUSTLE OR RETIRE

It is well worth while emphasising a fact, old as the everlasting hills, obvious as A B C, and yet, alas, how seldom realised! That fact is simply this: WORK COUNTS.

When a lady once asked Turner, the celebrated artist, what the secret of his achievements was, he replied, "I have no secret, madam, but hard work."

When Thomas A. Edison was asked to define the inspiration to which he owed his scientific discoveries, he said, "Inspiration is perspiration."

In every department of human activity the same word is true: WORK COUNTS. It is particularly true in life insurance, where the returns are directly proportionate to the energy and time expended. Consciously or unconsciously, every agent is a living example of the truth of the saying. Some agents exemplify it in a manner highly satisfactory both to themselves and to the offices with which they are connected. The steady stream of proposals flowing head-office-ward is proof positive of their belief in the efficacy of hard work. Other agents furnish a negative proof of the maxim's truth. They apparently believe that hard work does *not* count, and their utter failure in their chosen calling is the best evidence of the marvellous consistency with which they live up to that belief.

There is no royal road to success in the life insurance business. In that business, as in every other, "the hand of the diligent maketh rich but idleness shall clothe a man in rags." Brilliant talent, a good education, extensive connections, a "pull"—any of these things come in handy if the life agent possesses them—but all of them put together will not bring success, if energy and industry are lacking. More than that, the agent who possesses energy and industry *will succeed* whether he has these other advantages or not. Energy enables a man to force his way onward and upwards through irksome drudgery and dry details—in spite of defeat and rebuff. It accomplishes more than genius, with not one-half the disappointment and peril.

In every branch of insurance there is plenty of business to get and the " plums " will be captured by the live men who know how to " hustle " early and late. But competition is now so keen that the man who sits down and waits for business to come to him might as well put up his shutters. The man who works half-heartedly might as well do the same. The agent who does not possess sufficient energy and purpose to enable him to cope with present-day conditions in the insurance field will be pushed to the wall.

Agents, be workers! In no other way can you make a living in life insurance or any other honest business; in no other way can you expect to gain recognition for whatever ability you possess. You will advance in your earning capacity, in the confidence of your office, in your own self-respect, just in proportion as you realise the truth of the maxim that WORK COUNTS.

What men want is not talent, it is purpose; in other words, not the power to achieve, but will to labour. I believe that labour judiciously and continuously applied becomes genius.—BULWER.

Energy will do anything that can be done in this world; and no talents, no circumstance, no opportunities will make a two-legged animal a man without it.—GOETHE.

THE VALUE OF TIME

People have a saying that time is money, although not many men act as though they believed it to be true. We fear that insurance agents are particularly prone to forget the importance of making good use of the time at their disposal; for, not being bound down to any fixed hours of work, or governed by any settled routine, they find it easy to let the time slip through their fingers. And yet it is literally true that "time is money" to the insurance agent, for his income generally depends directly on the amount of time he spends upon his work. We venture to assert that the average agent could easily increase his earnings by 50 per cent. if he could only be awakened to the full importance of making every minute count. The best evidence of the truth of this

assertion is the tremendous increase in the volume of any office's business during the year-end campaign, when all the field staff are fully awakened to a realisation of the very brief time remaining in which to round out the year's business.

What a pity it is that men so seldom comprehend the full value of the passing hours until some emergency arises which awakes them to an appreciation of that priceless possession, "Time," priceless indeed to those who realise its worth, but valueless to those who prize it lightly; one of the few gifts bestowed in equal portions on all mankind, and like all other free gifts of Providence, regarded with carelessness by the multitude. Only those few who rightly estimate its worth and use it to the full can say how much the wise investment of this one asset, "Time," will yield. What makes the difference between one man and another, between the leaders and the led? Out of all the host of reasons and excuses which men advance there stands forth one explanation which more than any other affords the key to the successes and failures of life—"*These* prized their time and used it, *those* neglected theirs." Time, diligently and constantly employed will more than compensate for all defects of education, opportunity or even ability; while the most brilliant talents assisted by every favourable circumstance will not avail to lift a man beyond mediocrity if time is lightly thrown away. The oft-quoted words of Gladstone are worthy of being repeated once more, "Believe me when I tell you that the thrift of time will repay you in after life with an usury of profit above your most sanguine dreams; and that the waste of it will make you dwindle alike in intellectual and moral stature beyond your darkest reckoning."

PERSONAL APPEARANCE

It is poor policy for an insurance man to disregard his personal appearance. In his business, he has to make himself agreeable to people, and he interferes with his chances when he goes about with unshaven face, unkempt linen and dirty hands. Even a mechanic or a teamster, whose occupation prevents him from giving much attention to his own appearance, would rather

do business with the clean, well-dressed, successful-looking agent than with his slovenly competitor. An agent who is careless of his personal appearance can't expect to command the attention or respect of his clients, no matter to what station in life they belong.

As Gorgon Graham remarks, "Appearances are deceitful, I know, but so long as they are, there's nothing like having them deceive for us instead of against us. If you look as if you had slept in your clothes, most men will jump to the conclusion that you have, and you will never get to know them well enough to explain that your head is so full of noble thoughts that you haven't time to bother with the dandruff on your shoulders."

BE IN EARNEST

You can scarcely expect your client to treat the subject seriously, unless you set him an example. A little fun now and then does no harm, and enlivens the conversation. But there is a danger of going too far in this direction. Don't let your prospect get the idea that you are not perfectly in earnest. Don't encourage any levity when dealing with business matters. If you start the interview in a spirit of foolery, you place yourself at a disadvantage from the outset, your client if he finds himself hard pressed by your arguments will generally adopt the obvious expedient of taking refuge in evasive jesting. The only safe demeanour is that of serious earnestness. You need not assume an aspect of owl-like gravity or supernatural wisdom. But let your manner and countenance betoken business of importance; give your client to understand that you are in dead earnest, and he will treat you and your arguments with all the more attention.

DON'T WORRY—WORK

We all spend too much time in *worrying* over our troubles instead of *working* against them. So many people have a wish-bone where they ought to possess backbone. Nothing in the world was ever accomplished by merely wishing—that remark is so trite as to be almost superfluous, and would be superfluous but for

the fact that a great many people have apparently never heard, thought or realised it.

READY, AYE READY!

Always be ready for business. Be always on the look-out for prospects. Have proposals, a prospectus and a fountain-pen always in your pocket. Improve every opportunity for business, and *make opportunities*. View every man that you meet as a potential client. You can often close business when you least expect it.

The explanation of the success of many life agents lies here. You may have wondered sometimes how certain insurance men seem to have the knack of always finding business. They have a kind of instinct which tells them where to look for business. They know intuitively when they meet a man who will prove a client. While others are twiddling their thumbs wondering why business is so slack, the alert agents are as successful as ever, for they have the gift of knowing and seizing the opportunities that present themselves.

What an insurance salesman the Ancient Mariner would have made:—

> "I pass like night from land to land,
> I have strange powers of speech.
> The moment that his face I see,
> I know that man must hear me;
> To him my tale I teach."

BE FULL OF YOUR SUBJECT

To become successful the insurance man must know his subject. No one who possesses merely a superficial acquaintance with the business can achieve permanent success. Most insurance policies are taken out largely on trust, the proposer relying on the agent's representations and being influenced by his evident familiarity with the intricacies of his business. If this is so, how important it must be that the agent should possess this familiarity with his business, and be able to impress the fact on his client! That familiarity with insurance matters can only be gained by study, and along the three following lines:

First—The agent must study his own office. He must know its age, history; he must know the details of its

annual report, its assets, income, surplus, interest rate, etc.; he must know its basis of reserves; he must know all about its various forms of policies and their conditions as to cash and loan values, days of grace, etc.

Second—He should study other offices. He should know how they compare in financial standing with his own office; whether it can compete with them in premium rate, surplus returns, guarantees, policy conditions, etc. He should know who are his most dangerous rivals and what their strong and weak points are, and how he can meet them in competition.

Third—He must study insurance matters in general, in order to know the current topics of the insurance world, some of the insurance laws, the history of the business, its statistics, etc. For this purpose subscription to some good insurance journal is almost indispensable.

DO IT NOW

There is an inherent tendency in all men to postpone work whenever possible, particularly if the work happens to be unusually hard or disagreeable. We are all prone to select the easy task for performance first, in preference to the difficult one. And when this occurs more than once, and when the difficult or disagreeable duty has been several times postponed, we are sometimes brought face to face with the fact that the process of procrastination has been too often repeated, and that we have missed a valuable opportunity.

The simple and obvious remedy is given at the head of the last paragraph: "DO IT NOW." Get rid of that "streak of laziness" which handicaps you even as it handicaps nearly every man. Tone up your moral fibre by doing some things you should do but don't like to do. If there are several things to be done, and one of them particularly hard or uncongenial, select that one first. Do the hard things first and do them now;

'TIS THE SECRET OF SUCCESS.

CHARACTER IN THE LIFE INSURANCE AGENT

It is absolutely essential that the life insurance agent should be one whose character wins the respect of other men.

We hear a great deal in these days about the power of personality; it is undoubtedly a great force and a valuable asset, especially to those, like the life insurance agent, whose business brings them constantly in contact with other men whom it is their object to influence and sway. But what is personality? It is the combination of ability, energy and character, with emphasis on Character.

Personality corresponds to what is termed momentum in the physical world; it is the man with the greatest momentum that can best lead, influence and control others. In physics, momentum is the power of overcoming resistance by means of motion, and is the product of two elements, mass and velocity. The heavier the mass and the greater the velocity, the greater will be the momentum. A tram car moving at the rate of a few miles an hour has more momentum than a swallow flying a mile a minute; for the latter weighs only a few ounces, while the former weighs twenty tons. So it is with men. Some possess greater momentum than others. He who combines ability and energy with character becomes an irresistible force in influencing others to his way of thinking, and when in pursuit of an object he carries everything before him. But the man who lacks character lacks weight; and, however swift his mental processes may be, no matter what velocity he may attain by extraordinary energy, because he lacks character he fails to acquire the momentum which other men possess, and by means of which they are able to brush aside like straws obstacles in their way.

There is no room in the insurance field for the dishonest agent. For a time he may win trifling successes by his dishonest methods, but in the end he is crowded out by other men who have more influence and weight with the public, because they are honest.

CANVASSING RULES.

We remarked in a former paragraph that, so long as an agent followed a system of some kind, he should be allowed to adopt one which suited his own circumstances best. Still, there are a number of matters which should be included in every agent's plan of work, and we venture to suggest briefly a few things which should not be omitted by the agent who is formulating a system:—

1. Make it a rule to canvass *at least three* new prospects every day.

2. Systematically plan each day's business. Before you start out in the morning, prepare a programme of the day's work—and stick to it.

3. Plan to see your O.B. and G.B. policyholders regularly, so that during the course of the year you come into touch with every one of your former clients two or three times. It is a vexatious thing for an agent to discover that a policyholder whom he has not seen for months has placed additional insurance with some other office. Avoid this by keeping tab on your policyholders, and making certain, so far as you are able to do so, that they place their additional insurance with you.

4. Regularly post or deliver a selected pamphlet or folder to suitable prospects or policyholders. Do it systematically, so that you cover the whole list two or three times a year. It will cost a little in postage, but you will be well repaid if you can thus establish a closer connection between yourself and your policyholders, prevent lapses and retain their confidence.

5. Work the "Friend's Report" plan systematically. Whenever you insure a man, get him to name as references two or more friends who would be likely to insure.

6. Keep yourself plentifully supplied with prospects, by drawing on your own list of acquaintances, by watching the newspapers for suggestions, by working the "Friend's Report" system, and especially by active personal canvass.

7. Have a "prospect book," in which you enter the names of all your prospects. Make copious notes of everything relating to each prospect that might pos-

sibly prove of use in your canvass either now or in future: *e.g.*, age, occupation, married or single, number of children, ages, etc.

8. Keep similar notes of all interviews with prospects, recording dates, plans of insurance discussed, objections raised, the arguments which made a favourable impression upon them, etc. These notes will often prove of value months afterwards. You may be tempted to try to keep these things in your head, but among the hundreds of men you meet and solicit from year to year you are hardly likely to remember all of them, and a written memorandum will often serve to recall names and circumstances to your memory which would otherwith have passed completely out of mind.

9. Go through your prospect book regularly, so that none of your clients may be overlooked. Pick out those who are to be interviewed, those who are to be circularised, and *interview* them or *write* them, as the case requires.

10. Keep careful notes of future interviews to be attended to. If you are told by a prospect that he will be taking out additional insurance at a certain date, make a note of that date.

11. Similarly keep track of term policies expiring, endowments maturing, etc. These are the times when your old clients are likely to take fresh insurance. N.B. —See them before the other agent does.

12. It is a good plan to keep track of the date of birth of each of your policyholders, and, if possible, time your visits so as to coincide pretty closely with the date when he passes from one age to the next. You have an additional argument to use at such a time, because if he delays taking a policy, he will have to pay for it at an age one year older.

13. Keep track of the children of your policyholders and others. Watch them as they grow up and reach insurable age or enter employment. The agent who has his eyes open for such opportunities generally gets the business.

14. When you hear of the birth of children to any of your policyholders, take the opportunity to see the father and urge the importance of additional insurance.

15. If a client has his proposal rejected or postponed,

see if you can get a proposal from the wife or son or some other member of the family instead.

16. Make notes of any incidents that occur in your own experience illustrating the importance of insurance protection. An agent does not need to be very many years in the business before he comes across numerous cases, *e.g.*, where life insurance has proved of inestimable value to a family, or where a man delayed too long in taking out a policy and found himself uninsurable when he did apply, or where a policyholder allowed his policy to lapse with disastrous results to those dependent upon him, etc. The daily newspapers are full of just such incidents—the very best arguments for insurance—and it is a very good plan to make a collection of such newspaper clippings for use in soliciting.

17. We knew one very successful agent who kept a pocket scrap-book in which he pasted items of this kind, as well as insurance facts, statistics, etc., collected from the daily papers and insurance journals, and he claimed that his book was of great assistance to him in his work.

18. Try to make the influence and example of each policyholder you secure count for as much as possible. For example, when you have secured a foothold in a large establishment by insuring the life of one employer or official, endeavour through him to reach his employees in the same business.

19. Develop a system that will enable you to look after the collection of renewal premiums well and promptly. It will pay you in three ways. *First*—It prevents lapses, maintains the record of your agency and swells your renewal income. *Second*—The collection of a renewal premium furnishes you with a good opportunity to place additional insurance. *Third*—There is no other way in which you can more successfully or easily win the confidence and favour of the powers at head office. Your prospects of promotion depend very largely on your record in regard to lapses.

20. When you have fixed upon a programme that is workable and successful—stick to it. At the same time, keep your mind open and unbiased, and be willing, if improvements upon your plan are suggested, to

adopt them. Reconsider your system from time to time. Ask yourself whether it is fulfilling all the purposes that it ought to fulfil. If you are growing in experience and efficiency as you ought to grow, the system that you base your efforts upon will undergo a corresponding development, and you will think of improvements from time to time.

21. Finally, in following out each day's programme, let there be no shirking or side-stepping of difficult or distasteful duties.

Some Good Rules to Follow

CANVASS ONLY INSURABLE RISKS

It is a wise plan to ascertain whether your client is an insurable risk before you proceed too far in your canvass. In fact, whenever possible, this is one of the preliminary enquiries that should be made before the canvass is commenced. An agent makes no money out of declined proposals, and he loses the time and energy expended upon the case, which might have yielded him good returns if he had been employing them elsewhere. It is worth the agent's while to take a little pains in enquiring about his client's family and personal history, his habits (temperate or otherwise) and his present physical condition (overweight or underweight, healthy appearance, etc.).

Then, aside from the agent's own interests, he ought to look at the matter from his office's standpoint. The head office is generally anxious to have the co-operation of the field staff in reducing the number of proposals from questionable risks, not only on account of the expense connected with declined cases, but also on account of the danger of some of these under-average lives slipping through by mistake.

Of course, an agent is not expected to exhibit the trained judgment of a physician in choosing a risk. He cannot detect a heart murmur or abuminuria. But he *is* expected to subject a proposer to a general scrutiny, and this can generally be done without interfering in the slightest with the progress of his canvass.

Reference was made above to the importance of ascertaining whether the proposer's habits are temperate. Special responsibility rests on the agent in this matter. It is impossible for the chief office to see an applicant personally; they must depend entirely on the recommendation of the local medical examiner and the recommendation of the agent. The medical examiner may be relied upon to detect any flaw in the subject's

physical condition, but in many cases he is not acquainted with the proposer, and therefore knows nothing of his habits.

TRY FOR BIG FISH, TOO

Ask any experienced agent, and he will tell you that the little fellows, the men who insure for £100, are the ones who give him the most trouble. They are the hardest to insure, they require the most explanations, they are the first to lapse, they furnish the "cranks." On the other hand, the men who insure for the larger amounts make less fuss, pay more promptly and in all respects are easier to handle.

The point, however, that many agents will be inclined to raise is, "But, I don't know where to get the big proposals." Sit down and write a list of all the successful men you know, and then set to work to gain introductions to them. Don't blush or grow pale when ushered into a "big" man's presence. Your mission is to talk life insurance, and so long as you stick to your subject, you can teach something to your client, no matter how learned or successful or famous he may be. And, we may add, you will find the really "big" men—distinguished for brains, character or culture—to be, generally speaking, the most affable, approachable and reasonable of all those whom you number amount your clients.

And don't forget that one wealthy policyholder will bring others. Many an agent owes his success largely to having made good use of his first big proposal, in securing introductions, influence, etc.

How many agents grasp the fact that one £1,000 proposal will yield them just as much commission as ten £100 risks, to say nothing of the saving in time and trouble?

GET CASH WITH PROPOSAL

It is usually wise to get at least a deposit when you take an O.B. proposal. Make it a rule to do this, and tell your prospect that it is your rule. (This is subject, of course, to the instructions of your office.)

The advantages of getting cash are principally these: You get the payment from your client when he is in the mood, and accordingly need not fear lest when you

deliver the acceptance some days or weeks later his enthusiasm may have cooled. You also prevent the proposer from lending a listening ear to the blandishments of rival agents during the time that he is waiting for his acceptance.

STUDY THE POLICY

It is not always necessary or advisable for the agent in his canvass to enter into a minute explanation of the different provisions and privileges contained in his office's form of policy. You know that the policy your office sells is a straightforward, liberal contract, and there is ordinarily no need for you to becloud other and more important issues, or weaken the effect of your other arguments by opening up a lengthy discussion of all the clauses and provisoes in the policy contract.

Still there are cases where it may be advisable for the agent to make a thorough explanation of the terms of the policy, for example, in case of competition, or in a case where an unusually cautious client makes special inquiry as to the liberality of the policy conditions; or where you have failed in every other attempt to win your prospect's interest, you may sometimes gain his attention by pointing to some unique and attractive feature in your office's policy. In order that the agent may be able to use the policy conditions as an argument, it is wise to procure such a book as Stone & Cox "Policy Conditions" (price 2s. 8d., post free, from Stone & Cox, Ltd., Africa House, Kingsway, W.C.2.).

One never knows what particular feature of the policy is going to attract a client.

There are innumerable ways in which an exact and intimate acquaintance with the terms of the policy will assist the life insurance man. This necessitates study. But time and pains bestowed in this manner will be well worth while, and no matter how often the agent has read the policy, a fresh perusal of it will always shed fresh light upon his mind, suggest new arguments, and develop his power to present them. It is largely this attribute of exact knowledge that makes certain old and experienced agents so effective in their work. If you are present with them while they are engaged in

a canvass, you are struck immediately with the completeness of their equipment, their absolute mastery of every phase of the subject, the grip they have of every detail of the business. These acquirements come only as the result of diligent perseverance and laborious self-training, and the men themselves are living examples of possibilities which lie before those who are willing to give themselves with a like earnestness to the scientific study of their profession.

SHOW THE POLICY

A travelling salesman in any other business carries his case of samples. He doesn't ask customers to buy until he has shown them exactly what he has to sell. Why should it be otherwise in the life insurance business?

Many veteran agents make it a rule to carry their own policies with them. It is something real which fixes the attention of the client. It helps to overcome the handicap under which life insurance agents labour as compared with other salesmen, in that they have no visible, tangible articles of merchandise to be seen, handled and examined. A policy will sometimes claim the interest of a client when everything else fails. It gives him confidence when he sees the guarantees set forth in black and white and is offered a chance to scrutinise them himself before he signs the proposal. It is surprising how many people have never seen an insurance policy, or have never had an opportunity to examine one closely. We venture to say that in many cases, where the prospect hangs back and the agent can't understand the reason for it, the true cause is that the prospect has a vague kind of feeling (scarcely realised by himself) that it isn't wise to bind himself by signing the proposal before he has had a chance of *seeing* just what he is getting for his money.

DELIVER THE POLICY YOURSELF

Don't send a new policy to the assured by post. Make a practice of personally delivering all your policies.

It is a good idea, too, either to get your new client to read the policy when you hand it to him, or else to read it over to him, and obtain an admission from him that the policy is what he wanted and that he is satisfied

with it. When your client has thus expressed his satisfaction with the policy, he is less likely to find a ground for complaint at some future time and make that an excuse for letting the contract lapse.

You can also use the occasion in order to obtain your client's suggestions or influence in helping you to secure other business. Say to him, "Here is your policy, Mr. ——. Will you look it through and tell me whether it meets your expectations? . . . Ah, I'm glad you are satisfied with it. Now, I want to ask you to give me a little assistance with some other business," etc. He will likely give you his assistance too, and you will find that your best business is obtained by the easy method of making use of the influence of the men whom you insure. It is an endless-chain system, which operates in such a way that the more business you close, the more business you see in sight.

In Conducting a Canvass

IMPRESSIONS—FAVOURABLE AND OTHERWISE

Always endeavour to make a good impression. Even if it does not bear immediate fruit, it may prove of value at some future time. Even if your interview with a man has proved in other respects unsuccessful, it will not be an absolute failure, if you go away leaving him with a favourable opinion of your tact, courtesy, humour and judgment. You never can tell what the ultimate effect of such an impression may be. You may think that your whole time has been wasted and your efforts fruitless, but if you have borne yourself so as to gain your prospect's goodwill the effort will not go unrewarded. A future interview may serve to win over the man who is already favourably prepossessed and disposed. Or even if you never win him, his goodwill will influence directly or indirectly other clients in your favour. Influence is like the ripple which the pebble starts on the surface of the lake. It has its origin often in some little thing, but once started, travels in widening circles farther than the eye can reach. The man who despises not these little things; who thinks it is worth while to conciliate those among whom he does business and gain the assistance of their goodwill; who takes proposals where he can—but when he can't win proposals, wins friends; that is the man who finds his influence and power steadily increasing from day to day.

The man whom you meet for the first time is unprejudiced so far as you are concerned; you are a stranger to him—he has no bias for or against you. But when you leave that man he has formed a certain impression of you—your manner, ability, character—and when you meet him again you have that first impression in your favour if it was a favourable one, or you have it to contend against, if it was an unfavourable one. Therefore, the importance of first impressions; and for that reason, the necessity when you first approach a man—

(1) Of doing so tactfully.

(2) Of doing so intelligently; that is, knowing something beforehand about his circumstances and requirements, instead of blundering in upon him aimlessly.

(3) Of being neatly and correctly dressed.

(4) Of having the right kind of introduction.

(5) Of tackling him at an opportune moment; not, for example, when he is up to his ears in work.

(6) In short, of doing all that foresight and prudence can do in order to insure that the first impression your prospect forms concerning you will be in your favour and not to your disadvantage.

WIN CLIENT'S CONFIDENCE FIRST

There are some men who are unduly suspicious—especially of agents. Perhaps they have been "taken in" some time by an unscrupulous agent; or it may be due to the fact that they are conscious of their lack of familiarity with business matters and for that reason exhibit special caution whenever they are asked to consider a business proposition. This is especially the case in country districts. Farmers and other rural folk are often timid—cautious and slow in matters which a city man—more accustomed to business—would deal with freely and unsuspiciously.

Be specially careful in dealing with a client who is disposed to be thus ultra-canny. Don't broach the subject of life insurance until you have secured his confidence. Even when you feel that you have won a certain degree of trust, and that it is safe to introduce *the* topic, be still on your guard lest you excite his silly suspicions by any appearance of undue haste, and so cause him to retreat into his shell of canny wariness whence it will be in vain to attempt to dislodge him. Don't let him fancy that you are trying to rush him into insurance. Be patient and tactful, and when you at last succeed in closing him you will have the additional satisfaction of having secured a policyholder who will stay. This canny, cautious kind is hard to persuade, but once having made up his mind, he won't unmake it in a hurry.

DON'T ACT AS THOUGH YOU DIDN'T EXPECT SUCCESS

Don't approach your prospect as though you didn't expect to insure him. If you commence your interview in that frame of mind, he will probably fulfil your expectations by *not* insuring. We knew a salesman once who always approached his customers with the same formula: " I don't suppose you want anything in my line to-day." Needless to say the usual reply to his question was in the negative.

If a salesman acts as though he had not sufficient faith in his own wares to expect them to sell, he won't sell them. On the other hand, if he is positive that he possesses the very article, and is convinced that everybody else ought to have that article, and if he proclaims that confidence in every word and every action—then he stands a chance of convincing others. The first and most essential part of a salesman's equipment is confidence—in himself and in the goods that he has to sell. Otherwise he will be a failure. How can a man who is not confident inspire confidence in others; how can a man who is not positive influence others; how can a man who is not enthusiastic create enthusiasm in others?

TACT

Tact is the knack of taking a man the right way.

It is a knack which seems to come to some agents naturally, so that they can pursue their calling day after day, among men of the utmost diversity of character, taste, occupation and social position, and yet never handle one the wrong way. There are other agents, on the other hand, who lose cases every year by their tactless behaviour.

Some men are born with tact, but there is no reason why other men, born without it, should not by patience and perseverance cultivate and develop that quality. Any man, blessed with average common sense and average amiability, who makes a point of studying other men, their characters, their peculiarities and idiosyncrasies, their likes and dislikes, can develop this quality of tact in him, and, if he is apt and diligent in his efforts, he will probably attain in the end a surer

knowledge of and influence over his fellows than is possessed by the naturally tactful man who relies upon intuition to guide his actions.

But, however, he gets it, whether it is natural or acquired, tact is something that the insurance agent must possess. His aim is to persuade other men. To do this, tact is essential—tact which enables him to be bold, without being obnoxious; to be courteous, without being fulsome; to argue without disputing; to plead without cringing; to instruct without patronising; to be persistent but not tiresome; in short, to do everything that it is necessary to do without overdoing it.

These are large requirements, no doubt, but the best insurance men in the field possess them.

RECOGNISING A PREFERENCE

If your client shows a preference for any particular plan of insurance, take the hint immediately. If you start off by feeling your way with a 20 Payment Whole Life policy, and he says, " Yes, that's all right; but what I want is a policy that I can cash myself—something that I don't have to die to win," throw all your previous figuring into the waste-paper basket. Don't waste time trying to show him that a larger policy on the 20 Payment Whole Life Plan would suit his requirements better. He has given you a clue to the argument that appeals to him.

Produce the figures for an Endowment Assurance, and work that argument for all it is worth. The battle is half won when you know the particular plan and the features of that plan that attract your client.

Always keep this consideration in mind at the beginning of an interview, before you have been able to learn much about your client's views on the subject of insurance.

If he does not himself volunteer a remark as to the plan he likes best, try to draw him out, get him to talk and make comments on the figures that you submit to him. If you can induce him to express a preference for any particular plan, you know at once which way victory lies.

SECURE YOUR CLIENT'S FRIENDSHIP

Make a friend of every man you insure. Let him feel that you have done your best for him, have placed him in a good office, have given him the policy most adapted to his needs, have studied his convenience and wishes at every turn—in short, that you have acted throughout with a friendliness and consideration which did not have their origin in a purely mercenary motive. Don't let the acquaintanceship fall to the ground after you have written him up and delivered the policy. Cultivate his friendship. Be interested in the welfare and success of his family, his business and himself. If you see a chance to do him a good turn, seize it, even at some inconvenience and trouble to yourself.

It helps in many ways to make your client your friend. He will keep up his insurance. He will be a satisfied policyholder—your best advertisement. If he needs further insurance you will get it. Through him you may reach his relatives and friends. If he can put business in your way or give you other assistance, he will do it. These are some of the advantages you will derive, and what is perhaps the greatest advantage of all must not be overlooked, namely, the added pleasure and brightness that will belong to you in your profession through thus cultivating mutual feelings of friendship and goodwill between yourself and your clients.

NEVER PESTER A MAN

until he considers you a bore. There are some thick-headed individuals posing as life insurance men who are as devoid of tact as a grizzly bear of manners. These are the men whose blundering stupidity and forwardness have made whatever prejudice exists in the minds of the public against insurance men. They have doubled the difficulties in the way of other insurance men, who try to carry on their business in a decent way so as to retain the respect and goodwill of their clients.

There is a time for everything. When you meet a man who is busy with important work, or in a hurry, or with his mind full of worry about something else —it is obviously no time then to talk insurance. To attempt to do so would only create an unfavourable

impression which you would find it impossible to overcome. In such a case, postpone your conversation till a more suitable occasion. You cannot lose much by a short delay, and you stand to gain the goodwill of your client by showing this consideration for his convenience. Most men are reasonable enough to give you a fair hearing if they make an appointment with you for the purpose; but if you try to force your proposition upon them when they are occupied with something else, you furnish them with an excuse for refusing to listen and perhaps for dismissing you with more brusqueness than they would otherwise feel justified in using. It is worth while for the agent to remember that if he always approaches his clients with the utmost courtesy, he will very seldom meet with anything but courteous treatment in return; while the agent who pesters his "prospects" is sure to get sharp rebuffs and plenty of them.

At the same time, the agent must not let his politeness lead him into a too ready acquiescence with all his prospect's wishes. Firmness and even a certain audacity are quite consistent with perfect courtesy and tact. The agent must never lose sight of his main object. It is possible for him to show every consideration for his client, and also be resolute, persistent and aggressive.

NOT ASKING A FAVOUR

No man can achieve a real success in his profession unless his heart is in it, unless he feels that he is doing his share of the world's work, unless he can carry with him in his labours a feeling of proper self-respect and independence.

Some insurance agents never succeed because they cannot rid themselves of a kind of subconscious feeling that they are asking a favour from the men whom they canvass for insurance. They approach their prospects in a deprecating semi-apologetic manner as though they were asking a benefit, not bestowing one; as though they were appealing to their client's good nature, when as a matter of fact they are presenting a plain, straightforward business proposition, the merits of which the other fellow, if he has any common sense at all, cannot help admitting.

If you are conscious of any such feeling get rid of it —or else quit the business. The insurance agent has no right to feel ashamed of his work. He can point to the vast sums that are being paid out annually by insurance offices in support of families many of which would otherwise be destitute, and he can truthfully say that *that* is the work of himself and his predecessors. Or even if you put the matter on a purely commercial basis and ignore its altruistic aspect, is there any reason that the insurance merchant any more than the vendor of any other class of merchandise should be backward in pushing his sales?

Let those insurance workers therefore who feel conscious of having lost opportunities in the past, through the causes referred to be guided by this resolve in their future labours:

" That, confidently believing all men to be free and equal, and myself as good as anybody else; knowing also that I represent a strong, successful and prosperous office; realising it to be my duty and privilege to extend the benefits of life insurance as widely as possible, I shall not be prevented by any so-called distinctions of rank and wealth or by unmanly feelings of personal diffidence from introducing myself and my message wherever common sense and courtesy warrant it."

TALK ONE PLAN

The agent who confuses his customer by a lengthy explanation of half a dozen tables is not likely to secure a proposal. If he is lucky enough to do so, the chances are that the customer has not a very clear conception of the contract he has chosen, and when the agent comes to deliver the policy, he may be confronted with the declaration, " This isn't the policy you described to me." The poor man has probably been so confused by the agent's talk, that he has jumbled together in his mind the features of two or three different policies.

If at all possible secure beforehand such information about the age, circumstances, etc., of your prospect as will enable you to fix upon some particular plan in advance. Having once fixed upon that plan do not obscure your arguments by dragging any other policy into the discussion. The agent who offers only one

plan is never confused in his own mind as to what he shall talk about. Not being confused in his own mind he does not confuse his prospects. This is an important point.

Perhaps more sales of insurance have been spoiled by putting the prospective customer in doubt as to what policy he shall choose than by all other blunders agents have made. Indecision of any kind is fatal to action. Indecision ruins the agent's chances. He should endeavour to make it as easy as possible for his prospect to decide. Therefore, talk only one plan.

NOT TOO MUCH TALK

It is a common failing of agents (in other lines as well as in life insurance) to mistake glibness for persuasiveness. Nothing could be further from the fact. You may talk a man's head off without being any nearer convincing him than you were when you started. In fact, if there is anything the average man dislikes it is to be confronted in argument by an opponent who won't let him get a word in edgeways. Even if there is truth and logic in what you say, you spoil the effect of it all when you talk too much or too long, or too fast. Your prospect hasn't time to digest your arguments. You no sooner make one point than you spoil it by hammering down another on top of it. Your client loses himself in the cloud of words you utter, and instead of distinctness, clearness and decisiveness, the impressions he gets from your talk are indistinct, vague and usually result in indecision.

1. Don't forget that you are an insurance man but your client is not; and that while the facts, figures and arguments you quote are familiar and trite to you, yet they are probably new and unfamiliar to him, and he needs time to assimilate them. Take time to drive your arguments home; give him time to get his mental digestion working; your arguments will have thrice the influence upon him if he thoroughly understands and appreciates them.

2. Don't give your client the impression that you want to "rush" him into insuring. Give him ample time to look at what you are offering him, to ask questions, to state his objections if he has any. Make him

feel that you have no intention of trying to stampede him and that you are willing to submit your proposition to the strictest scrutiny.

3. Don't be unwilling to stop talking occasionally and listen for a while. If you do all the talking, it is impossible for you to know whether he follows your arguments or is impressed by them. As a result you may make the mistake of trying to force him to a decision before he is ready for it; or (even more likely) in your flow of talk you may pass unawares the "psychological moment" when he might have yielded had you stopped and asked him. Many an agent has talked a man into insuring and out again without ever being aware of it or even stopping to take breath.

WANTED! COURAGE, NERVE, SELF-RELIANCE, ETC.

That ancient jibe about the insurance agent's "nerve" rests on very slight foundation. For one agent who errs on the side of boldness, we venture to say that there are dozens who find themselves handicapped every day by undue timidity and backwardness.

How many are the defeats that agents encounter for lack of the proper audacity and self-confidence! What stories might be told! Of agents who have sought for weeks to secure an interview with a prospective client, and whose nerve failed them when the opportunity at last arrived. Of agents who have missed big opportunities because they were afraid to encounter a rebuff. Of agents who have repeatedly seen some audacious rival capture the prospect whom they have been timidly "keeping in view" for years.

There is not much chance of success, or at any rate no chance of much success, for the insurance agent who is thus under the tyranny of fear. There is no room for bashfulness in the insurance profession. As the homely proverb says: "A bashful pig never grows fat." The agent when he approaches a prospect must remember that at the worst, his client can only refuse. and his refusal is far less likely to be uttered if the agent presents his business in a manly, straightforward way with no unnecessary diffidence or cringing. You are not nearly so apt to offend your client by assuming

too aggressive an attitude, as you are to disgust him by undue humility or deference. All the world admires a fighter—even his opponent respects him; but nobody is ever much impressed by the person who betrays timidity in all he says and does.

> **Nothing sinks a man into low company, both of men and women, so surely as timidity and diffidence of himself. If he thinks he shall not please, he may depend upon it that he will not. But with proper endeavours to please, and a degree of persuasion that he shall, it is almost certain that he will.—Chesterfield.**

DWELL ON YOUR STRONG POINTS

You have almost always noticed in canvassing a "prospect" that there are certain features of your proposition that particularly impress him. They may not be the features that you consider the most attractive. They may be points which you did not expect to count for much. Nevertheless the fact remains that some of your arguments from the "prospect's" standpoint, are more forcible than others—and your aim must be to discover what these are. With this end in view, watch your client. You can generally tell when an argument has struck home. Sometimes by a word of assent, a comment, a pertinent question even, your man will show that he is impressed and interested. Make a mental note of the fact then and there. Remember which of your arguments it was that apparently appealed to him, and work that argument for all it is worth. Do not allow yourself to be sidetracked by entering into discussion or explanation of minor features of the policy, but keep harping on your strong points.

Just here many an agent blunders. He gets his clients interested, he has an opportunity of ascertaining which of his arguments the client is most impressed by, he feels that he is gaining ground and yet—he fails to close the business. Why? In nine cases out of ten simply because, instead of sticking to his strong points and "rubbing them in," he allows the discussion to wander off along other lines. Then the newly awakened interest of the prospect dies away, and when the agent attempts to recover the lost ground he finds himself unable to do so.

Occasionally a "prospect" will put forward an objection that is hard to meet. For instance, he may say that his money will be "tied up" if he placed it in insurance. There are several ways in which you may combat this argument, but the chances are that your purposes will be best served by harking back to your strong points.

DON'T LET HIM SAY NO

An agent can usually judge pretty accurately by the trend of the conversation whether he is carrying the prospect along with him in his argument or not. If the prospect is being convinced—well and good. The agent has only to await the psychological moment for producing the proposal form and securing the signature. But if the agent finds he is fighting a losing battle, if he perceives that the prospect for some reason or other is holding back, then it is wise to avoid forcing a decision too soon. If the agent presses the point at this stage of the argument, it is ten to one that the prospect says " No." When the prospect has thus declared definitely against the proposition, the agent is in a far worse predicament than he was before. In the earlier part of the conversation, the agent's task was to get the prospect to make up his mind (in favour of the proposition). But now that the prospect has committed himself against the proposition the agent must endeavour to induce him to change his mind—which is a far more difficult undertaking.

Don't let your client say " no." If you see that he is inclined to say " no," don't give him a chance. Remove the pressure, go back to the beginning again and try some new line of argument. You may even repeat the same arguments again if you think your prospect has not grasped them fully. So long as your man does not make up his mind against your proposition, you have a first-rate chance. He may interpose objections, excuses —but these are indications that he is weighing and considering your argument; they are proofs that his mind is not made up and that he feels the force of your reasoning. Far better to bide your time, better even to arrange for another interview some other day, than to allow your man to put on record a decision which is not in your favour.

DON'T EXPLAIN TOO MINUTELY

Don't waste your time explaining minor points, unless your client inquires about them. Don't overwhelm your man with a flood of information about the policy, the office, and the insurance business. The main features of the plan which you are canvassing are all the "explaining" that is necessary in most cases. If your prospect inquires about your office, or if you are in competition with other offices, you may have to quote facts and figures; but the less superfluous information contributed to the discussion, the better. You are not interested in making your client an actuarial expert, and he, on his part, is not curious to know all these technical matters. If you are convinced that the office you represent is sound, and that the policy you are selling is adapted to the requirements of your client, why bother him with a lot of unasked, unnecessary knowledge? Spend your time and concentrate your mind on furnishing him with arguments for insuring, not with technical information which he can do without.

DON'T LET GO

When Rudyard Kipling was a youngster his father took him on a sea voyage. The qualms of seasickness never bothered young Rudyard, but the elder Kipling was a very poor sailor and early on the programme hied himself away to his cabin. A few hours later a passenger stuck his head into Mr. Kipling's stateroom and yelled, "Hi, there, Mr. Kipling, your son has crawled out to the end of the yard-arm, and if he lets go he'll be drowned."

"He won't let go," returned the fond father, as he turned his wan face to the wall again.

Many a promising risk is lost because the agent "let go" too soon. Every life agent ought to possess a bulldog tenacity which will enable him to hang on so long as there remains the dimmest chance of success. There are too many agents who will "quit" if they meet with a rebuff or refusal. Don't let things like these discourage you. Let them rather put you on your mettle. There are men who have boasted that they were invulnerable, that the agent didn't exist who could

insure them; and yet the same men have succumbed at last to the skilful persistence of some persevering agent. What other agents have done you can do if you refuse to "let go." You can be tenacious of purpose and yet not render yourself a bore. Your own good sense and tact will suggest plenty of ways of keeping after a prospect without making yourself obnoxious to him. In cases of doubt, it is better to err on the side of boldness, than to lose a risk through hesitation or diffidence.

STRIKE WHILE THE IRON IS HOT

Agents frequently have an opportunity to close a case at the first interview and fail to take advantage of it. They gain their client's interest and approval, they feel that they are carrying him with them, and then they allow themselves to be put off until another interview, through some slight excuse which they might easily overcome, if they understood how important it was to do so. The trouble often is that the agent, seeing his apparently sure success, thinks to himself that his chances are secure, and when the client suggests a day or so of delay in order to think it over, the agent says, "Why, yes, no hurry, I will call to-morrow." But when to-morrow comes the client's generous impulses have begun to cool, he has invented half-a-dozen excuses and the agent finds it difficult or impossible to close the case which only the previous day had seemed so easy.

An agent should never allow himself to contract the habit of interviewing clients without closing them. These oft-repeated, fruitless interviews waste one's time, but their most objectionable feature is that they gradually result in loss of power to the agent. He falls into the habit of letting himself be put off. His list of prospects grows and grows, he is interviewing people all the time, he thinks he is working hard—but all the time he is losing the ability to close, and the power to close is what really counts.

Get into the habit of carrying things before you. Put up a fight for the proposal every time you see an opportunity. When you commence a business interview, make up your mind that you mean business and

don't allow your client to postpone his decision till another day, if there is a fighting chance to close him to-day. By cultivating this attitude you develop a strength of will and purpose which men you meet with will unconsciously recognise, and which will go far towards securing your success.

MIND READING

All mind readers are not fakers; on the contrary many of them are successful and respectable insurance agents who have acquired much of their success and lost none of their respectability through an expert acquaintance with this very art of mind reading.

The life insurance agent's business offers abundant opportunities for the exercise of this knack of reading other men's minds. The agent who argues with his prospect must watch the effect of his arguments. If he perceives that one is producing but slight effect, he must pass on to the next; if he observes that another has made a strong impression, let him emphasise it, dwell upon it, and, if necessary, return to it a second time when he sees his client wavering. Let him similarly watch when his client utters his objections. If he perceives some of them to be genuine, let him answer them fairly and fully; if he suspects others to be merely excuses, let him treat them lightly or ignore them as they deserve. Above all, the agent must watch for the "psychological moment" which we hear so much about—the fateful instant when conviction first reaches his client's mind and when the agent can obtain a favourable decision if he appeals for it at once.

Some men are naturally skilful in reading the thoughts and feelings of others—and these are the men who naturally make good agents. But others can acquire the same skill. The art of mind reading can be developed by constant practice in watching and following other men's thoughts. And the agent who purposely keeps this idea in his mind in dealing with every prospect—feeling his way, observant, watchful, anticipating objections, making mental notes of every word or look—will feel himself growing in proficiency day by day and will soon realise what unlimited

opportunities there are for making use of this faculty of " mind reading " in the life insurance business.

HOW HE FAILED TO MAKE A SALE

He lacked dignity in his bearing.

He wasn't neat in his appearance.

He used no tact in introducing himself.

He was late in keeping his appointment.

He had a conceited and arrogant manner.

He did not believe in his own proposition.

He disgusted his prospect with gross flattery.

He didn't know the fine points of his own goods.

He offended the prospect by undue familiarity.

He made a bitter attack upon his competitor's goods.

He openly ridiculed his prospect's ideas and methods.

He had made no preliminary study of the prospect's case.

He relied on bluff instead of solid argument based on facts.

He got lost in a forest of details, but couldn't stick to essentials.

He had been out with the boys the night before and showed the effects.

He talked too much; he gave his prospect no chance to explain his needs and position.

He couldn't answer questions and objections intelligently, concisely and convincingly.

He had tried to close his prospect before he had worked him up to a point of conviction.

He lost his nerve because the prospect presented such an unyielding front, forgetting that battles are won by hard rallies at the finish.

He didn't know his business when he made the approach; didn't talk clean-cut business after he got in; and didn't make it his business to fight all the way through.

Hints for Obtaining Prospects

READ THE PAPERS

Many valuable suggestions come (or ought to come) to a life insurance man through the medium of his daily paper.

For example, the papers record important promotions in business establishments; when you hear of a man being appointed to a lucrative position, you know that he is able to increase his life insurance and he is probably willing to do so.

The papers contain announcements of engagements or marriages—good opportunities, both of them, for the insurance agent to present his case.

The papers tell us when people come suddenly into wealth, through death of relative or lucky speculations.

They announce the establishment of new business firms and new companies—when men undertake heavy business responsibilities they should increase their insurance.

These are only a few of the hints and suggestions that an insurance agent may obtain any day from perusing his daily paper with an eye to business.

GET NEW PROPOSALS FROM OLD POLICYHOLDERS

One of the biggest fields of opportunity for agents, especially in an agency that has been established for some time, is among the old policyholders of the office.

1. They are men and women who know the value of life insurance, else they would not have taken it out in the first place. A person who has a policy of life insurance speedily learns to recognise its benefits and advantages, not only in the sense of security it gives but in the habit of saving which it encourages.

2. They are in all probability good risks, else they would not have been accepted previously by the company.

3. You have already gained their confidence, which

gives you an advantage over other agents who may have designs upon them.

4. You are already acquainted with them and don't need an introduction.

5. They have confidence in the office otherwise they would not have taken out their first policy. They know something of its record, and have probably been seeing its annual report regularly. They are satisfied with the treatment they have received otherwise they would not be keeping up their insurance.

6. An old policyholder knows something of the various plans of insurance, rates, etc., and does not require to have everything explained to him as a new client would.

7. In the case of a policyholder on your register, you know his age, his occupation, whether married or not, what plans of insurance he prefers—in short, you know everything about him necessary for making a canvass.

8. The collection of a premium of an old policy affords the agent an excellent opportunity to introduce the subject of additional insurance.

9. From the standpoint of the policyholder himself there are several advantages in placing any fresh insurance that he may require in the office in which he is already insured. For example, if he desires, he can have the premiums on his other policy or policies changed, and thus pay them all on the same date by the same cheque. He doesn't require to produce evidence of age a second time. In the event of his death, matters will be much simplified for the beneficiary and expense saved if all his insurance is in one office, instead of scattered among a number of offices, each of which requires completion of a separate set of claim papers, probate, etc.

The agent who follows up the existing policyholders not only keeps the old business on the books (which in itself is worth a good deal) but he also picks up additional insurance in the easiest possible manner. Whenever you insure a man who has not yet reached the limit of his earning capacity or who does not carry his limit in life insurance, there is a man to be watched so as to take advantage of every improvement in his financial position and every change which justifies increased in-

surance protection. This is particularly necessary in the case of young men who become insured. As a rule a young man doesn't take out a large amount of insurance, because his income is comparatively small, and he is perhaps not sufficiently convinced of the need for insurance owing to the fact that he has no one immediately dependent upon him. But as his income increases and he assumes additional personal responsibilities by married or business connections, further insurance becomes imperative, and if the agent has made a personal friend of him, as he should have done, little persuasion is necessary to induce him to increase from time to time. The agent who placed the first policy will get the additional insurance if he is alert. If he is not alert, the time and trouble he formerly spent in educating his client up to an appreciation of the benefits of insurance will make it all the easier for some rival agent to snap up the business.

A method that has been followed, in some cases very successfully, in canvassing old policyholders for further insurance is by means of a circular letter. The agent should go over his list carefully and selecting such policyholders as he thinks might carry further insurance, address each one a letter something like the following, together with a neat piece of insurance literature. Enclose also a stamped and addressed envelope or postcard for reply:

" Dear Mr. Blank;

" You may wish to increase your line of life insurance this year. If you are satisfied with the treatment you have received from us, we would like to make you more satisfied by placing another policy on your life. Our experience is that our policyholders are our best customers. Many persons are now carrying a number of policies with us, some as many as ten, all taken out at different times. If you are thinking of increasing your insurance, either now or at some future time, I should like to submit quotations, etc.

Yours very truly,
" Agent."

EXTEND YOUR ACQUAINTANCESHIP

Personal acquaintanceship with men is your stock-in-trade. Just as a wholesale house strives to increase its connection or a lawyer his clientele or a newspaper its circulation, in like manner it is important for the insurance agent to widen the circle of his acquaintance. We may say the policy of expansion is even more important in life insurance than in other enterprises, for a wholesale house may maintain a profitable business among its old customers and a newspaper may subsist by the support of its present readers, but a life agent cannot expect always to go on insuring the same people over and over again.

The methods by which the circle of one's acquaintanceship may be increased are numerous, various and obvious. In this age of clubs, societies and organisations—social, political, religious, athletic, educational—no one should have much difficulty in extending his acquaintanceship to any desired extent if he really sets his mind upon that object.

When speaking upon this subject, there are two words of warning that may be uttered. The first is against presuming too much on mere acquaintanceship. An agent must judge for himself as to how intimately he should know his prospect before he introduces the topic of insurance. Much depends, of course, on the man. With some people, you could bring up the question of life insurance on your very first meeting and they would think all the more highly of you for the directness and audacity of your approach. Others, on the contrary (and this class includes the majority of men), are much more apt to be influenced by you if you will wait until a closer acquaintance has placed you on more intimate terms with them, and for that reason in a position more likely to command their influence.

The second warning is against the error of thinking more of the number than of the kind of your acquaintances. It is desirable to have many acquaintances but some are worth more than others, and the best are the kind you want.

CANVASSING LITERATURE

Canvassing literature is supplied by almost all offices to their agents, and if rightly used, is a valuable aid in writing insurance. The trouble is that very often it is not rightly used. The following suggestions seem to be pertinent:

1st. Remember that canvassing literature is only an aid, and that not one proposal in ten thousand is closed by this means alone. Nothing can take the place of the personal interview. A series of pamphlets may pave the way for a personal interview, or may be used to follow up a conversation; but pamphlets not backed up by personal work are in most cases useless. In fact, they are worse than useless so far as you are concerned, because you are scattering precious seed for the other fellow; and the first agent who comes along and does some good, honest, heart-to-heart canvassing is likely to reap the harvest that you have sown.

2nd. Read the literature with which your office supplies you so that you may become thoroughly familiar with it. Then you know exactly what you have in your possession and can use proper discrimination in distributing it.

3rd. It is not enough simply to leave the literature with a man or to post it to him. Glance over it yourself first, and, selecting the particular sentences or paragraphs that you desire the prospect to read, mark them with red ink or blue pencil. His curiosity will be awakened. He will read leaflets thus marked when otherwise they might have gone direct to the waste-paper basket, and he will catch the force of marked passages which ordinarily he would pass over without receiving any particular impression.

4th. Never " swamp " a man with literature. Agents have been known to mail a man a miscellaneous collection of cards, folders, pamphlets, etc., embracing every subject in the insurance realm from " Young Man's Investment Policy " to " Endowments for Women." Select your canvassing literature carefully, having due regard to the age, sex, financial standing, etc., of the prospect. Don't confuse him with different plans of insurance, for example, by sending him an illustration

of a 20 Payment Whole Life policy along with the office's pamphlet on the 15 Year Endowment Assurance.

5th. It is a good plan to enclose a suitable leaflet with every premium notice, receipt, etc., in fact, with every letter you write. It is good advertising and costs not even postage.

ASSISTANCE FROM YOUR POLICYHOLDERS

People are influenced more than they like to admit by other people's example. If you have succeeded in getting the proposal of one man, it counts in your favour when you attempt to write up that man's neighbour. If your office has dealt generously with a policyholder and that policyholder appreciates the fact and is willing to acknowledge it, you have there an argument for your office worth ten pages of "estimated results."

When your policyholders are pleased about the treatment they have received, they, or some of them, may be willing to say so—over their signatures and in their own handwriting. This is what one man says on the maturity of his 15 year endowment policy, and this is the kind of testimony that helps an agent: "My little investment has brought me nearly four per cent. on my investment, besides life insurance for nothing for 15 years. I wish now I had made it double the amount."

Here is the statement of a prominent policyholder as recorded in one of the best known insurance papers: "I worked like a slave until I was forty-five years old to make a fortune, and have had to watch it like a policeman every since to save it. My life assurance policies have really given me the least trouble of all my possessions. They have never fluctuated, but have steadily increased in value, have called for no watching on my part and are worth more year by year. I took out the first ones in a half doubting way as to their ever being much good, except possibly to my family in case of early death. But I was young then. I have taken a good deal since as a protection to them and an investment to myself in order that I may have at least one line of securities that wouldn't keep me awake at night, nor my eye on the market reports by day. I suppose you would call me a pretty heavily

assured man were I to tell you what I carry, but had I my life to live over I would cheerfully saddle myself with double the amount early in the game.''

Try this plan in your own agency. Get letters from the best men. You will find that it will help your business.

ANNIVERSARIES AND SPECIAL OCCASIONS

It is often worth the agent's while to keep tab on the important events and dates in his clients' lives.

If you canvass a man and fail to get his proposal take a note of his birthday nevertheless. You may be able to interview him again just before his age changes and use the argument of the increasing premium with good effect. It has been done—often.

When you hear of a man's engagement or his marriage, get after him quick. The chances are that he is in a susceptible mood and disposed to consider a life insurance proposition.

Every time you pay a death claim, make it a great object lesson on the benefits of life insurance. On such occasions even the most dull of mind gets a vivid impression of the imminence of death and the importance of providing for it. When you hand over the cheque, you have a grand opportunity to secure proposals from some members of the deceased's family.

When you hear that a man has had an addition to his family, there is an opportunity for you to press the necessity of making larger provision for those dependent on him.

When a man forms a partnership or embarks in a business venture the success of which must of necessity largely depend on his brains and energy, go to him and point out the importance of insuring those brains just as he would insure any important piece of machinery.

When a young man or young woman first becomes a wage-earner take the very earliest opportunity of canvassing for insurance. You need have no qualms of conscience about taking advantage of his or her inexperience, for nobody yet had reason to be sorry for his early conquest by a life insurance agent, though many a man has lived to regret that some canvasser did

not round him up 20 years earlier, when he could have secured insurance at half the cost and could probably have spared the money better.

PRIVATE FRIENDS' REPORTS

When you are filling up a proposal and come to the question which asks for names of friends as references, don't always write the first name that comes to the prospect's mind. Stop a moment and explain to your client that he would be doing you a favour by naming as references two persons who not only know him intimately, but who also need insurance, could pay for it, and might perhaps be influenced by his example. In many cases, your client will be quite willing to assist you in this indirect way, and will often take considerable pains in counting over his list of acquaintances in order to select two who might be willing to consider an insurance proposition.

Usually the proposer will have no objections to giving you information regarding the friends whom he names as references. In such case be sure to make enquiries regarding:—

(a) Age.
(b) Financial standing.
(c) General health.
(d) Any previous insurance.
(e) Married or not.

With the information previously obtained from A regarding B's age, financial standing, etc., you ought to be able to decide beforehand upon the plan which should be canvassed. That is always an important matter. An agent's chances are increased fourfold if he can, without beating about the bush, go straight to the point and lay before his prospect at the outset the very proposition that is most likely to interest him.

This method, if zealously followed up, will furnish the agent with an endless chain of prospects and secure him all the introductions he desires in the easiest and most natural manner possible. It enables him to make the most of his successes; to make one proposal the means of securing another. It affords him a good opportunity of approaching his prospects tactfully and intelligently instead of blundering upon them blindfold

—a mistake that has spoiled the chances of many an agent. Try this system and see how it works. Many agents have been employing it with success for years.

FURNISH YOUR OWN ADVERTISING

In every agent's daily routine there are incidents that can be turned to good account as furnishing illustrations of the benefits of life insurance in general or life insurance with his own office in particular. Thus:—

Suppose a death occurs among the policyholders of your agency. It is to your interest to hustle around and get the papers filled up, and the claim paid. If the deceased was insured in other offices let yours be the first to pay its claim. You cannot fail to create a favourable impression by the care and promptitude you have exhibited.

Some Unusual Methods of Obtaining Proposals

PROPOSAL WRITTEN IN ADVANCE

The agent sometimes runs up against one of those men who are so extremely busy (especially when the agent calls) that they have no time even to consider the question of insurance, much less spare a few minutes in getting the proposal filled up.

When you come across a person who offers this excuse for not giving you a chance to discuss insurance with him, try the following plan: Fill up the proposal in advance. You know his name, address and occupation; you can get his age next birthday, perhaps his date of birth; fill in the plan and amount which you think suitable and the corresponding premium; in short, it should be possible to have almost every blank filled up in advance, with the exception of the space above the dotted line where you intend him to affix his signature.

Then go to your prospect and say to him: " Mr. Blank, I know you are a busy man; so am I. Here is a proposal all complete. I know that you need the insurance, and this is the policy that suits your case. Run your eye down this column of questions and then sign your name there, on the dotted line."

It sounds like a risky proceeding but the best answer is that it has proved successful over and over again. The very audacity and originality of the plan have frequently carried it to success. It is just such a bold stroke as many a man in business admires. Perhaps he has been putting off the subject of insurance, because he couldn't be bothered with the calculations, the repeated and lengthy interviews, the importunities of rival agents, etc., which he thought would be necessary. Now he sees the whole thing done for him, and a chance to close the whole business in a few seconds.

"ROUGH" CANVASSING

A man who follows the "rough canvassing" plan selects a district in which to work, and then goes right ahead, tackling every man he meets, whether he knows him or not, with or without an introduction. He receives—in fact, expects to receive—many rebuffs. He may succeed in interesting only one man out of twenty. But if he writes the proposal of that one man and pockets a commission of, say, £5, he is better off than if he stayed at home or in the club.

This work is hard, and for most men probably discouraging. No doubt, the ordinary agent, with a reasonably large acquaintance and business connection would do better first to look after the prospects whom he has in sight and, after attending to them, to do any "rough canvassing" that he finds time for. But the agent who follows this plan will never be stuck. If he hasn't the clients, he goes out and gets them.

INSURANCE AS A MEANS OF PROVIDING CHARITABLE BEQUESTS

Almost every day the newspapers record the case of some man whose interest in a favourite charitable or educational institution was such that he bequeathed to it by his will a large portion of his estate. There are doubtless many other men who, though quite as benevolently disposed, are prevented from exercising the same generosity.

Life insurance furnishes a means by which a man of only moderate wealth can provide an ample endowment at his death for any charitable, educational or other cause whose welfare he may have at heart.

General Observations on Agent's Work

RELATION OF AGENT TO HEAD OFFICE

It goes without saying that the relations existing between the agent and those over him should be friendly and cordial. The agent is dependent on head office for advancement and promotion, and these will not come to him if he is at loggerheads with the powers that be. If it is impossible to maintain a friendly connection, better sever that connection altogether and join some other office with which you can work in harmony.

A cause of friction between the field-staff and head office is found in the regulations under which the work of every office is carried on, some of which may appear to agents to be irksome and unnecessary. The agent is apt to believe that the authorities at head office are out of touch with conditions in the field, that they lay unnecessary stress on petty matters of routine, and that he could do better work if he had a freer hand. But very frequently, we think, he overlooks several important considerations which might materially alter his opinion. Most of them are of a legal character—some actually required by Statute.

Correspondence, whether with head office, clients, or others, should be attended to promptly. It is a good working rule to answer every letter within twenty-four hours of its receipt. Keep your correspondence free from spleen and ill-nature. Attend to your reports and other matters systematically. Some field men find the office-work trying, but it should be remembered by every agent who is looking for promotion that the men who obtain advancement are the all-round men, and that one of the most important requisites of a district or branch manager is that he should be a good office man.

The subject of declined proposals demands a special word. The decisions of the head office are often bitterly disappointing to the agent. He may have spent time

and effort in securing a proposal from a man who presents all the appearances of a good risk, but who for some reason or other is rejected by the head office. Under these circumstances the agent would not be human who did not feel more or less disappointed.

However, there is a ray of consolation for the agent, even in such adverse circumstances. If he has the office's interests at heart, he would, of course, prefer to have the risk declined if it is sub-standard, rather than that it should be accepted to the office's detriment. When such a proposal is declined it is proof positive to him that the office is looking after the interests of the policyholders in a most practical manner. The president of a great North-American company has said, "A half-million dollars in death claims for one year in one of the largest companies may be saved by the application of wisely directed attention with far greater ease than one hundred thousand dollars can be saved in expenses." Agents can readily understand, therefore, that a careful selection of risks will make itself apparent in the surplus earnings of the office. This is a strong canvassing argument, and the agent will be able to use it with particular effectiveness if he has had experience of the strictness of the office's medical standard and can give illustrations drawn from his personal knowledge. Every first-class risk will recognise that it is to his advantage to insure in an office which does not admit impaired lives on the same terms as good ones. And it is often good tactics, when an agent is soliciting insurance on a particularly good life, to flatter his client's natural pride in the soundness of his physique, by laying stress upon the importance of insuring "in my office which has a medical examination so stringent that it debars all but the very fittest lives, and which in consequence earns splendid profits from its unusually favourable mortality."

But this is aside from the main topic. The agent must retain his self-control and his temper, no matter how keenly he feels the disappointment of having his case rejected. Still more must he refrain from entering a long-winded protest every time that a risk is turned down. The head office has generally considered its

decision pretty thoroughly, and it is not often that the verdict is changed. Very frequently it has confidential information regarding the risk that the agent knows nothing of. In general, therefore, the agent's protests avail nothing, and his best course is to take the unwelcome announcement as philosophically as he can.

Almost the only case in which the agent has the slightest chance of obtaining a reversal of the office's decision is in the case where he can show that they have not had all the facts before them. If there is no dispute as to the facts, it is useless for the agent to interfere. For example, where the mother died of consumption at the age of 24, argument is useless. It would be a different matter if there were a doubt as to what disease the mother did die of, and the agent was in a position to furnish evidence that the disease was not consumption. In such a case, the office would no doubt be willing to consider further evidence upon the point in question—although we may remark here that the agent would have planned things better if he had collected all the facts before he submitted the proposal.

In any event, if the agent decides to ask for a reconsideration, let him do it in a good-tempered and courteous manner. If he thinks that certain facts have been overlooked, let him cite his facts without too many comments of his own, for he may be sure that it will be the facts and not his opinions that will carry weight at head office.

And finally, don't enter a protest unless you have a good case. An agent who is known at head office as a chronic kicker will not have half as much influence as the man who seldom objects, but when he does do so, has real objections to bring forward and can back them up with facts.

RE THE AGENT WITHOUT A POLICY

There are some insurance men who do not carry a policy in their own office. Worse still, there are some of them who carry no insurance at all. What a strange and marvellous paradox! What an unrivalled example of glorious inconsistency! Practical agents—whose chief occupation in life is to convince men of the absolute

necessity of insurance protection—see nothing incongruous in themselves remaining uninsured. Imaginative agents—who are accustomed to draw vivid word-pictures of the dangers that beset the uninsured individual—face these very perils themselves heroically and without a quiver. Conscientious agents—who would shudder at the very thought of misrepresenting a policy—feel no qualms at committing the great misrepresentation of palming themselves off as ardent believers in the benign principle of life insurance.

Our advice to every agent is to equip himself with a policy in his own office. It is an excellent weapon of attack, besides being unequalled as a defence. An ounce of example is worth a pound of exhortation. If you can produce your own policy from an inside pocket and point to the last renewal receipt duly countersigned, you have there an argument worth an hour of argumentation.

MEN IN SMALL, DISCOURAGING FIELDS

Insurance agents who are located in small, difficult fields and encountering stiff opposition sometimes feel as though the game were not worth the candle, and that they might as well shut up shop, and get into a different line of work.

Just a word to such men. Do they forget that life insurance is the most democratic business on earth, and the one that contains the most opportunities for the workers at the foot of the ladder? The agent of to-day is the superintendent of to-morrow.

The agent in a difficult territory has just as much chance of obtaining this promotion as any other man. The office that he represents knows the difficult spot, and is watching to see how he will grapple with the problem. He should be glad of a position which puts him upon his mettle. "Yes," such a one may say, "that is all right. But how can I, in this little country town, make a showing that will compare with men in the big cities?" Let that man commit this saying to heart: "The law of nature is: do the thing and you will have the power; but they who do not the thing have not the power." Let the man referred to begin by insuring every client that his present field will yield. Let

him attack his work with the determination to produce results equal to the best that an expert canvasser could accomplish if he were placed in the same position. Let him make up in energy for what he lacks in experience. Let him crowd as much experience into the next three months as he got out of the last twelve. That agent will surprise himself, and surprise the head office. He will live to thank his fortune that placed him in a position where he *had* to put his back to the wall and fight for promotion. He will be glad for the discipline and training which he received in that little country town, and which served him in such good stead in later days.

ONE OCCUPATION ENOUGH

One business at a time is about all that most men can carry on successfully. To be successful in his vocation, a man ought to be absorbed in it. He cannot be absorbed in it, or concentrate his powers upon it, if his energies are divided and dissipated among several undertakings. It is seldom that a man does a number of different things well. Those life insurance agents who have made big money out of the business have not done it by dickering with three or four other occupations at the same time. And agents whose time and energies are distributed over a number of different interests would generally be doing wisely if they made up their minds to devote themselves with all their might to one particular branch of work and let the other matters go. Between two chairs one sits on the floor.

WHEN IN DIFFICULTIES

When a man is meeting with poor success, it is very natural for him to lay the blame for it upon everything and everybody but himself. There are many good excuses lying ready-made and near to hand for the insurance agent who is up against it. Lack of support from head office, too much competition, hard times, bad insurance laws—these are some of the well-known threadbare excuses that many an agent works overtime and often when his luck is bad. But the thought occasionally occurs to a wise agent to look elsewhere or the cause of failure—at himself, to wit—and the agent who is wise enough and honest enough

to look there for the reason is already half way on the highroad to success.

When you are in difficulties—before you begin to abuse the world and fate—follow through this line of reasoning in your mind, " I'm not meeting with success. Could the right man make a success of the business in like circumstances? If a brilliant and energetic canvasser were face to face with these conditions, could he write business in spite of them? He could and would —in fact, there are other men in my territory who are doing it at this very moment. Then the fault lies in myself."

And when you have arrived at this point, and convicted yourself as the author of all your trouble, go a step further and see if you can locate the weak spot.

Have you been working hard and systematically? Ha! The chances are that we have winged you with the first shot. Lack of energy, lack of system—these two things in themselves are enough to account for many an agent's small success. Or have you been lacking in persistence—too bashful? Do you commence an interview prepared for success, or do you begin it with the feeling that it's a foregone conclusion that you are going to be licked? Whatever the reason for your failures has been, drag it to the light and take it by the throat. That weakness must be overcome, the fault remedied, your energies properly directed. It is a hard process, maybe, this self-examination, but it's a process that will develop you into a great agent if you will put it to the test. And thirty minutes spent in this manner (followed up by vigorous action) are worth a week spent in moping about the office and grumbling against fate.

TEAM WORK

Team work, under many conditions, is a method which proves very successful. There are numerous instances where two men working harmoniously together have produced more business than both of them working independently could possibly have done.

The theory upon which this system of team work rests is that different men excel in different directions. One is strong in a respect in which another is weak;

working together, each supplements the other. Thus, it may happen that one agent is a very energetic, persevering worker—a plodder, excellent at discovering prospects but with not sufficient personal magnetism to make a good closer. Another man detests the dull routine of the daily hunt after prospects but given a client and a ghost of a show he can make sure of a proposal. Working separately, both of these men might prove comparative failures. Working as team mates, it is safe to say that they would have splendid success.

Another point in favour of team work is that it develops a man. Each member learns where his weak points lie, because he sees where his companion excels him. And, eventually, an observant and adaptable agent can train himself by this means so that he becomes really efficient where formerly he always failed.

Quite frequently, it is worth while for two agents to combine forces, even if only for one interview with a prospect.

It may appear like waste time to set two men at work which in theory one should be able to accomplish; but in practice it does not always operate so. Writing life insurance is more or less of a psychological problem, the solution of which is sometimes due to the preponderance of mental force. When two wills are concentrated on one the likelihood of enforcing action is considerably increased.

There are other ways in which the advantage lies with the canvassers in an interview with a single client. While one salesman is talking the other is watching the prospect, observing his expression as the various arguments are presented. He notes what was repelled and what was accepted. If a particular argument seems to have had a more than ordinary effect on the client's mind, he seizes on it, and drives it home; whereas his colleague, if he had been alone, would perhaps have failed to observe that he had scored a point and so might have drifted off to the discussion of minor matters.

These are some of the points in favour of team work. It is almost unnecessary to add that not every pair of men will make a team, and that an agent desirous of testing this idea should be careful to get the right man for partner. There are some lazy agents who would

be only too glad to enter into an arrangement by which they are able to shift the bulk of the work on their partners, and yet draw their share of the profits.

ATTITUDE TOWARDS COMPETITORS

Don't hunt for trouble with other offices. Never belittle a rival concern, or even refer to it unless of necessity; every time you mention the other office you advertise it. Be too busy to mind your competitors.

In your manner towards other agents, be pleasant and good-natured but discreet. Don't carry around a grudge against the other fellow; it does more harm to you than to him. Don't envy others their successes; find out how they do it, and imitate them. Don't brag about your achievements or give away any of your secrets. Know your own business and keep it to yourself.

UNFAIR COMPETITION

There is undoubtedly more or less unfair competition to be encountered by all insurance agents. There are some agents who do not hesitate to circulate statements concerning the standing and methods of rival companies that are either wholly false or purposely misleading.

Let it be remembered first of all that no stress of competition, however unfair, will justify you in resorting to kindred tactics. Your adversary is possibly harming you to a certain extent, but he is harming himself still more. Give him enough rope and he will hang himself. His methods will earn for him in time a very unenviable reputation. If you keep clear of such tactics, your character for honesty and straightforward dealing will appear all the brighter by contrast with his crookedness.

When you find that another agent has been misrepresenting you and your office in order to win over a prospect of yours, the following is a good way to frustrate him. Advise your client to request the agent to put his statements into writing and sign them. If your unscrupulous rival falls into the trap and signs his name to the misrepresentations, you can transmit the document to the officials at the head office of your own office who will see that the matter is brought to

the attention of the other office and the offender disciplined or dismissed. If your competitor refuses (as he probably will) to assume the responsibility for his statements, he tacitly admits their falsity and your client will likely refuse to be influenced by him or his representations.

HONESTY THE BEST POLICY

The insurance agent who starts out to "do" a man generally does himself as well. His sharp practices may succeed for a time, but only for a time. There is a Nemesis that follows hard upon his heels. Grim retribution, though moving with a halting foot, never fails to overtake the offender.

It is said that the foundation basis of all trade is the confidence of man in man. If that dictum is true of business in general, it is doubly true in regard to the insurance business. The agent who possesses the confidence of his clients may have a small clientele, but it will be a constantly growing one. The agent who relies on sharp practices to secure his business may appear to be doing a thriving trade just now, but it will dwindle away. You can't fool all the people all the time.

YOUR CLIENT'S INTERESTS ARE YOUR OWN BEST INTERESTS

A man starts out as a lawyer, hangs out his sign and gets his first client. His principal thought is to get the biggest fee he can out of the business. He handles the whole case with that object mainly in view. He wins his case, collects his fee and his client vanishes, never goes near him again, never recommends him. And the lawyer wonders why he doesn't succeed.

Another man commences his career in law, and gains his first client. He bends his energies to please, to satisfy and to win the confidence of the client. He does not worry about what the fee will be. That is a secondary consideration. He knows that, even from a purely mercenary standpoint, the value of this first client to him consists not so much in the amount of the fee which changes hands, as in the future business which will result from this client and in the other clients who will be obtained through the good-will of this first one.

Many of the failures in the insurance business can be traced to the fact that agents often regard their prospects in much the same light as that in which the young lawyer whom we first mentioned viewed his clients. Their sole thought is to get the biggest commission possible out of every case. They never stop to consider the possibility of getting further insurance at some future time from the proposer or through him from his friends. The result is that they never get a second proposal from the same man, the business written by them is not of the permanent character which insurance offices like to see, and after a year or two they begin to wonder why they are unable to build up a clientele. On the other hand, there are successful agents, whose success can be directly attributed to their habit of doing their best for each client, and winning the client's confidence by consulting his best interests at every turn. One client brings another, the old clients keep coming back and the result is that the agent in time builds up a successful business.

Your first client is your biggest capital. If you are selling him a policy, give him the one which satisfies him, which he can afford, which fits his needs, without considering whether it is the policy which will yield the biggest commission. If you insure him, do so in such a way that he will know you have done him a favour and not think he has done you one. Act in such a way that you may be conscious of the fact that you have worked in his interests and not solely in your own, that you have done by him as you would be done by. If you have acted on these principles, then you are in a position to continue your acquaintance.

Special Classes of Prospects

LIFE INSURANCE FOR CHILDREN

Most offices issue special endowment policies on the lives of children payable at 21 or 25. Some of these plans sell fairly well, but if you find that the child's endowment plan of your office is hard to sell it is probably best not to endeavour to force it on people, but instead try to insure the parent on an endowment for 15 or 20 years, or some other term chosen so as to mature when the child reaches the desired age. The policy on the parent's life will secure the income-tax allowance: the child's policy will not. The object in view will be attained, namely, of providing a definite sum for the child when a certain age is reached which will pay for his education, give him a start in business or furnish her with a marriage portion. These are objects which appeal very strongly to parents as a rule, and when the agent comes across a family that can afford the insurance and with a child or children whom they desire to give the best possible chance in life, he ought to win almost certain success if he presents his argument properly.

Children at older ages, say from 15 upwards, are also eligible subjects from the agent's standpoint.

The arguments that can be used in favour of placing insurance on the life of a son are briefly as follows:—

(1) The low cost at which it can be secured at the boy's present age.

(2) That the father can pay for the insurance himself for a number of years and thus give his son material assistance along most desirable lines at the outset of his career.

(3) The father will appreciate the force of the argument that an investment of this character is a practical and useful object lesson to the young man in methods of thrift and providence.

There are large opportunities along the lines that we

have suggested. Any agent with a good list of present policyholders need only look over that list to see what a large field at once opens out. He will at once see names of men whom he had been accustomed to think of as carrying their limit in life insurance, but who might be willing to assist their sons to take out a policy with an office which has their own confidence. And let us observe here that if you place a policy on the life of a young man with the approval and assistance of his father, you ought to secure any further insurance which the young man does later on, and will probably do so if you follow up your opportunities.

LIFE INSURANCE FOR WOMEN

There exists a large and ever-increasing field for insurance on the lives of women. The number of wage-earning women is probably ten times as large as it was twenty-five years ago. Women hold many remunerative positions in the business and professional world as nurses, typists, clerks, sales-women, office-assistants, school-teachers, music-teachers, artists, doctors, and even lawyers. Have you ever fully realised the scope of the field thus opened up to life insurance agents?

Very frequently women who are wage-earners have become such because they have other persons dependent upon them, *e.g.*: widows, with minor children, women supporting aged parents or younger brothers and sisters. In circumstances like these, the agent can urge the very strongest reasons in support of life insurance protection. Or if the wage-earner is using her savings to support herself, the usual arguments can be employed in favour of endowment insurance.

Very often women who are not wage-earners have means of their own. In most cases, they are inexperienced in business matters, and would welcome the suggestion to place their money in an investment at once so safe and so profitable as an endowment policy. There are also many single women, dependent on their own means for their present and future support to whom an annuity in a reliable office would appeal very strongly as a desirable method of providing for their later years. In short, without citing further instances we may say

For numerous reasons, insurance men ought to and do secure many clients among the clergy. Men in this calling are not usually overburdened with this world's goods, consequently they welcome life insurance as the most satisfactory method within reach of their means of providing for their families and for their old age. Many denominations, of course, have "superannuation funds" for their ministry, but such schemes are limited in their scope. Another argument in favour of life insurance from a clergyman's standpoint is its combination of remunerativeness and security; not many clergymen are financiers and they have not the opportunities in the way of investments that men in other callings have offered to them every day.

From the agent's standpoint, the points in the clergyman's favour are that he is usually a good risk; that he is educated, intelligent and usually in favour of the principle of life insurance; that his influence and approval will help the agent in the community and that he will pay for and usually keep in force any insurance that he may apply for.

Among the various plans of insurance which might be likely to appeal to a member of the ministry is the long-term endowment. The premium is moderate, and the term of the endowment might be selected so that the endowment matures at about the age when the assured expects to be superannuated. Thus the policy serves the double purpose of protection for the family and provision for old age, and besides the premiums are payable only during the salary-earning period.

SALARIED MEN

There are numerous reasons why salaried men should be particularly vulnerable to the insurance man's persuasive arguments.

1. A man on salary has not usually any capital invested in the business with which he is connected and in general does not possess the opportunities for successful investment that the principals of the business enjoy. It should not, therefore, be difficult to interest him in an investment like life insurance, which is at once safe and remunerative.

2. For the same reason, the salaried man cannot bring forward the objection to life insurance that is sometimes raised by other business men—viz.: that all their money is required in their business and therefore they dare not tie it up by investing it in life insurance.

3. The man on salary, as he receives his earnings regularly in weekly or monthly instalments and knows exactly how much he can count upon receiving, is particularly well able to set aside the fixed sums necessary to meet a periodical insurance premium.

4. The man who is his own master, *e.g.*, the manufacturer, the merchant, etc., is frequently able to build up a business which will be a permanent asset, and a source of revenue to himself after he has retired from active service and to his family after death. The salaried man, on the other hand, has no such future source of income, for his salary ceases when he retires from business or when he dies. It is all the more important therefore that he should make some systematic provision for his family after his death and for himself in his old age.

PARTNERSHIP INSURANCE

There is nothing new in partnership insurance. Yet the comparatively small amount of business transacted proves that the number of agents who follow up the possibilities cannot be very large. A few agents have made this class of insurance a speciality, and the results they have obtained by working it intelligently have been so favourable that it is remarkable that their example has not been more generally followed. All offices will give advice to agents as to the best arrangements for the partners.

The merits of the idea are easily explained. For example, take the case of a business firm comprising, let us say, two partners, each of whom has invested £2,000 capital. The firm is newly established and progressing rapidly, when unexpectedly one of the partners dies. The surviving partner has not only a double load of responsibility and work thrown upon his shoulders, but he may also be called upon to settle with the deceased partner's creditors for his half-share of the business. If he pays out this amount in cash, he will probably so

cripple the business by the withdrawal of the capital as to seriously affect its future prosperity. And even if the partnership articles are so drawn that the surviving partner does not require to buy out the business immediately, yet the death of a member of the firm is a financial blow to the enterprise in many other ways, since his labour, business experience, the good-will and custom which he brought to the firm are all lost. But if the members of the firm have been protected by a suitable life assurance, the death of one of the partners cannot seriously affect the firm's financial standing.

The arguments in favour of partnership insurance may be summarised briefly as follows:—

(a) Life insurance is particularly necessary when the success of the business depends in a large measure on the personality of one of the partners; *i.e.*, his technical knowledge, business connection, good-will, etc.

(b) The insurance perpetuates for a time the earning power of the deceased partner until a new man can be found and installed who can do the work of the late partner.

(c) Very frequently the death of a partner involves the withdrawal of his capital from the business. Sometimes this would seriously cripple even a prosperous firm. Life insurance will take the place of the capital withdrawn.

(d) In the absence of insurance, creditors may become uneasy, and force the remaining partner or partners into bankruptcy.

(e) A substantial policy in a strong office greatly strengthens the credit of any firm. It is a valuable collateral security in case additional capital has to be borrowed.

(f) A life insurance policy is a tangible asset, and increases in value every year. If the policy selected is an endowment, it constitutes an investment, which, while not yielding quite so large returns as the capital invested in the business, is nevertheless fairly remunerative and absolutely secure.

The following are a few questions that partners in many firms might well be asked to consider:—

1. If one of the members of your firm were to die

this month, what effect would his death have upon the standing of the firm?

2. Are the other partners prepared to meet the loss involved in the subtraction of his skill and business experience from the assets of the firm?

3. Is the firm in a position to allow the withdrawal of the capital which he has invested in the business?

4. If it is advisable to protect your buildings against fire, is there any reason why it should not be equally expedient to insure the firm against loss arising out of the death of one of the partners?

5. Is it *good business* to expose the partnership to the risk of serious loss, when that risk might be avoided by taking out insurance on the lives of the members of the firm?

Arguments for Insurance

PLAN YOUR CAMPAIGN

A general in command of an army usually plans his operations rather carefully before hazarding a battle. He gives consideration to the relative numbers of the contending forces, takes account of all the strategic positions, disposes his regiments with due deliberation, masks the artillery, stations his reserves, settles the order of the battle, the flanking movements and the frontal attacks; in short, he plans and performs these and ten thousand other things that you and I, not being generals, are not expected to be familiar with. If any leader were to ignore these necessary preliminaries and launch his regiments pell-mell against the enemy, he would be violating every fundamental rule of warfare, and if he escaped a sound licking it would be due more to good luck than to good generalship. The agent who tackles a man for life insurance without having made any previous study of his client or given any preparatory thought to his mode of procedure will never make a success of his business and doesn't deserve to. If he does win once in a while, he can thank his lucky stars.

It is seldom that the agent has not a chance to learn something beforehand regarding the man whom he wishes to insure. So much depends upon the first interview, that it is usually worth the agent's while to postpone calling upon his man until he can secure sufficient information about him to approach him intelligently, instead of blundering in upon him aimlessly and wasting precious time in getting information that he might have secured beforehand.

The following are some particulars that you should know in advance before you interview your man. You should know his age, at least approximately; whether

he is married and has a family to support; whether he is "well-fixed" financially. All these things are important, because from them you must decide the plan and amount of insurance which you think he should have. Then there is the question of previous insurance. If he has a policy, you know that he already believes in life insurance, and you will not have to make a new convert. Do you know, or have you insured, any of his friends? If so, you have a grand opportunity. And while you are making your preliminary enquiries, don't fail to enquire about your prospect's insurability. Does he enjoy good health, has he ever been seriously sick, are his habits good, any consumption or insanity in the family history? A few judicious inquiries along these lines will often save the agent a good many hours of wasted time and the office an examination fee.

One other point; fix *upon kind of policy and amount in advance*, and don't change your mind without very good reason. Talk one plan.

PREPARE YOUR ARGUMENTS

The life insurance man cannot prepare his arguments too carefully. Let them be well thought out, carefully expressed, well illustrated. Ponder over the best methods of introducing them, developing them, and emphasising them. It may even pay you to elaborate several ways of expressing the same argument, for there are many men whose minds are so constituted that the full force of your reasoning does not strike them until it has been repeated more than once. Classify your arguments. Have them marshalled in well-ordered array within the recesses of your brain, ready for service when the time of action arrives.

Do you realise the value of illustrations? The preacher, the lawyer, the lecturer, the political spell-binder, all those who aim to persuade men—they understand the importance of illustrations, and consequently use them freely. Learn your lesson from these masters of the art of persuasion and imitate their methods. Reinforce your arguments by means of the most telling illustrations at your command—illustrations based on

actual fact. For instance, you are talking with a man who has a family to support but has no insurance. Remind him of some instance (well known to him) of a family left in poverty through the failure of the husband to provide insurance. Don't exaggerate, don't harp on the illustrations too long, but be sure that your prospect sees and feels the point of your arguments.

To make the most of your arguments you must have them at your fingers' ends. Have them ready and waiting. It is even a good plan to jot down beforehand the points to which you intend to refer. We know men who never think of undertaking an important interview of any kind without previously rehearsing in their minds the arguments that they mean to employ.

Know your best arguments and rely upon them. This does not mean that you are always to employ the same arguments. All men are not alike. When you approach a prospect you must use the reasoning that you think is best adapted to his particular circumstances. But in the main you must depend principally on the " old reliable " arguments. They are the veterans and must bear the brunt of the fighting. If you meet with a reverse use one of the old brigade to cover your retreat. If there is an attack to be pushed home, there are no others upon which you can so well rely.

In the following articles, we purpose discussing some of these " old reliable " arguments that every agent should be master of. An agent may combine a thorough knowledge of his subject with the volubility of a gramophone, and yet fail to impress a prospect with his arguments. He is not master of his arguments unless he can make the prospect *feel* them. A mere acquiescence is not enough. The reasoning must be so emphasised and dwelt upon that the prospect will have a vivid realisation of its truth and applicability to his own circumstances. The agent has not mastered the argument unless he can do this.

IT PREVENTS WORRY

The doctors tell us that " worry " is one of the greatest factors in shortening life. It is worry, not work, that kills. Ask any business man struggling to

accumulate a fortune, or to guard the fortune that he has accumulated, and he will tell you that it is not the labour and the toil that wear upon him so much as the anxiety and the strain.

Life insurance will prevent the anxiety and the strain.

It is an investment that never keeps one awake at night, and no time or pains are required to look after it during the day. Whether the money markets rise or drop, whether the crops fail or prosper, a life policy is secure. Whether other plans succeed or not, there is no uncertainty about that investment. Many a man has felt, as it were, a great weight lifted from off his shoulders when he received his policy and realised that, whatever came, his family and his business were protected. Many a man passing through financial stress or severe sickness has called to mind with unspeakable relief and self-congratulation that life policy which he took out in former days and kept in force. Life insurance replaces uneasiness, anxiety and uncertainty by cheerfulness, confidence and security. It does not pretend to avert death but it does take the worry out of a man's life. Were there no other argument in its favour it would be well worth while for this reason alone.

IT PROVIDES A COMPETENCE IN OLD AGE

Samuel Johnson says something to the effect that "the first years of a man's life must make provision for the last." That is a true saying, and worthy of all acceptance, but too seldom acted upon. How few men are able in their old age to live in the comfort and ease to which they looked forward when they were young! Perhaps their health broke down and they were obliged to retire from business earlier than they had anticipated and before they had accumulated a fortune; or they had been accustomed to living up to their income, and when their earning power ceased, they had nothing to fall back on; or financial losses came and swept away investments upon which they were relying. What a difference an endowment policy would make in any one of these cases! It can be made to mature at any desired age. The premiums can be limited to the wage-

earning period or any other period that is desired. It is a profitable investment and absolutely safe. It does not require to be paid for in a lump sum like most other investments. It affords insurance protection during the term of the policy, and at its maturity provides or completes a competence for old age. It can be made payable in periodical instalments so as to avoid the trouble and risk of looking after large sums. In adaptability, certainty and convenience there is no other provision that can equal it.

NO SHRINKAGE IN THIS ASSET

It is a matter of common knowledge that when a man dies and his executors begin to wind up his affairs, there must nearly always be an allowance made in their calculations for the inevitable shrinkage in the assets of his estate. A man's account may show him to be worth £10,000 at his decease; but what with bad debts, fluctuations in stocks, delays and expenses of collection, losses through the inexperience or inattention of the executors, probate fees, lawyers' charges, etc., the ultimate amount of the estate may dwindle to 50 per cent. of its book value.

There is one asset, however, which is always collectable, and may be turned into cash without delay, involves no lawyers' fees and is always at par. That asset is a life insurance policy. Agents might well make use of this argument more frequently than they do—especially when comparing life insurance with other forms of investment. Every man ought to possess at least one asset whose value is not subject to depreciation.

PROMPT PAYMENT

Almost all offices make a special point of paying death claims as quickly as possible, and that circumstance constitutes one more argument in favour of life insurance. It surely cannot be denied that an investment which can be rapidly and conveniently cashed is superior to one which requires an expenditure of time and trouble before it can be realised. This is true at any time, and especially true after a man's death, when

his affairs are involved in the confusion and uncertainty inevitable at such a time. It is sometimes true even of wealthy men, for we have known instances where men have died leaving considerable fortunes which have been so completely tied up in various forms of investments that the widow experienced no little trouble in making ends meet without borrowing. No matter how large a man's personal fortune, life insurance comes not amiss. And in the case of the ordinary individual, even a small policy paid promptly on death will provide for all the immediate necessities of the deceased's family and often prevent them from experiencing serious financial difficulty during the settlement of the estate. Life insurance, it has been said, is C.O.D.—Cash on Death; and agents will do well to emphasise this advantage, keeping examples constantly at hand.

THE PERISHABLENESS OF RICHES

There is nothing sure in this world except death and taxes. Rich men lose in a few months the accumulations of years. A great railway magnate, who received for years £10,000 a year, found himself in his old age without a cent and had to be provided for by the sons of his former employer.

Cyrus W. Field, at one time worth £4,000,000, did not leave his family one penny outside of his life insurance. Political economists have calculated that 95 per cent. of those whose earning powers or money-making abilities promise to place their families above want, die poor. A little forethought and self-denial on the part of the deceased would have provided an insurance policy which might have meant for the bereaved family all the difference between penury and affluence, between suffering and comfort.

THE FLEXIBILITY OF LIFE INSURANCE

One of the chief merits of life insurance is that it adapts itself with wonderful ease to the varied and varying needs of its patrons.

For example, suppose that twenty years ago a young man was unmarried and drawing a good salary. He

found it hard to save money, and therefore took out a Twenty Year Endowment to compel him to economise and mainly as an investment. But since then he has married, and now the policy is about to mature. He finds that his family need the protection of the insurance more than he needs the cash value of his policy. He is still in good health and can take a paid-up policy for a much larger sum than the original insurance, payable to his family at his death. This policy was taken out with quite a different idea in mind, but the assured's circumstances have changed and the policy adapts itself to those altered circumstances.

Again, a man may have taken out a Twenty Payment Whole Life policy for the protection of his family. During the twenty years that have elapsed his children have become self-supporting, and he and his wife, at advanced ages, are now living alone. This policy was taken out for the protection of the family, but such protection is no longer necessary. This man, therefore, draws the cash value of his policy or uses the cash value to buy an annuity that will support both himself and his wife during the remainder of their lives.

These are only a few illustrations of the principle we are dealing with. Examples might be continued indefinitely.

BECAUSE IT PROTECTS ONE'S FAMILY

The arguments in favour of life insurance are numerous and some of them are novel. In particular cases, an agent who has tried all the stock arguments and failed, sometimes succeeds by a specially ingenious train of reasoning or an apt method of presentation which appeals to the mind or heart of the particular prospect whom he is canvassing. But for every proposal that is won by such novel and ingenious methods, it is safe to say that there are a hundred closed by means of the old stock arguments in favour of life insurance; the oldest, best, most powerful, direct and convincing is "because it protects one's family."

This is the fundamental reason for life insurance. Life insurance may be a good investment, a provision for

old age, a stimulus to thrift, an assistance in financial difficulty—but these things are incidental; the primary and fundamental explanation of and reason for life insurance is found in the protection which it affords to the wives and children of those who insure their lives. There may be men who are so selfish, sluggish or otherwise peculiarly constituted that they do not feel the force of the "protection" argument, and to such people the agent must present life insurance as an investment, a provision for old age, etc., but with most men it is the "protection" argument that counts—the other reasons may assist them in coming to a decision, but the thought that mainly influences them is that of providing for their dependants.

It is important that the agent should realise this fact, and not spend too much energy or time in emphasising other arguments which are usually secondary. Given a man of average intelligence and humanity with a family to support and little or no life insurance—there you have a man who simply can't resist your reasoning. Point out to him that with a very little self-denial on his part he can make a provision for his family which may mean an education to his children; which will relieve his mind of all uneasiness as to their financial welfare. Pin him down to these arguments—they are unanswerable. Don't let him escape from the inevitable conclusion of your logic. Don't let him evade the issue. Your reasoning is right, his own conscience bears witness that it is right and in the end he is bound to yield to the combined force of your reasoning and his own conscience.

THE BEST CHRISTMAS PRESENT

Towards the end of the year one date is uppermost in everybody's mind, and that date is Christmas.

At that season of the year, every man who is not a miser or a pauper, will make some extra personal sacrifice in order to gladden his home with Christmas gifts.

It is difficult to criticise where the motive is so generous. But the fact remains that not infrequently

a father in his anxiety to see that the children's stockings are well filled neglects considerations of far greater importance.

If you were to die between this Christmas and the next would the children's stockings be as well filled next year? Is it not possible that they might lack, not merely their accustomed Christmas gifts, but also some of the very necessaries of life?

Perhaps you have no life insurance; or more probably, your insurance is not sufficient to protect adequately your family. In that case, do you realise that your anxiety to render your family happy and comfortable now may react to their disadvantage sometime hereafter?

Would not your affection and care for your family be more truly shown, if you made up your mind this Christmas that your family would henceforward be adequately protected; and, acting on that resolve, insure in a strong life insurance office?

What better Christmas present could be conceived than a policy for a substantial sum? That would be a gift of the most practical kind; based on generosity and kindness; banishing worry, anxiety and care; making Christmas all the merrier and the New Year all the happier for yourself and family, from the thought that, come what might, the future was provided for.

SUPPOSITION

Suppose a friend of yours, a man of absolute honesty and ample means, should make you the following proposition:—He offers to make over to you £1,000, to be held by him in trust for you, and stipulates only that you shall pay interest upon the sum during your lifetime at the rate of 2 per cent. per annum. Beyond the yearly payment of interest at this ridiculously small rate, the transaction costs you nothing at all, and at your death, he contracts to hand the whole amount over to your family. Would you accept an offer of this kind? Of course you would.

You won't get any friend of yours, however, charitably disposed, to make such an offer; yet that is pre-

cisely what an insurance office would undertake to do, and *is* doing every day. It sets aside the whole amount for the benefit of your family and contracts to pay that amount over at your death. And under a Whole Life Non-Profit policy, assuming your age not to exceed 30, you pay less than 2 per cent. interest on the fund, and are never called upon to pay a cent of the principal. You may die after the contract has been only a few months in force, but the office carries out its agreement just the same.

Or, suppose this same friend of yours were to make you a slightly different offer. You pay a higher rate of interest, 5 per cent. on the sum which he holds in trust for you. If you live 20 years, he agrees to pay over the whole sum to you, although you have paid only the interest upon it; or, if you die during the twenty years, he will pay the money to your family.

The last is another offer which you will never find any individual willing to make; nor would you be willing to make such an offer to anybody else. But that is exactly what the insurance office offers you under a 20-Year Endowment assurance.

MORE SUPPOSITIONS

Suppose the Government should issue an edict that one thousand people of this country should be put to death during the next week; the name of every man (yours among the rest) to be written on separate pieces of paper, placed in a large receptacle and one thousand of the pieces drawn by lot. If you had the uncertainty of your fate brought vividly home to you by some such extraordinary event, you would perhaps listen to the arguments of the insurance agent, who urged you to insure your life. But why draw on our imaginations? The plain unvarnished facts are solemn enough of themselves. The truth is that there are thousands of persons who are being carried off by death every week through natural causes and in the ordinary course of events. Your chance of being one among those many is just as great as though your name were in the jar from which the lots were drawn.

Suppose you were suddenly faced with a decree of banishment from your native land. You are given no time to settle your business affairs; you are forbidden to communicate with your family during your exile or to send them any means of support. That would be hard lines for your family no doubt, but no harder than it would be for them in case of your sudden death. Is it worth your while and theirs to make provision for their wants in case of some such sudden catastrophe? If you think it is, the only logical or reasonable course for you is to insure your life.

Think of the healthiest man of your age you know —a hardy, husky individual of long-lived stock, so well and strong that, as the saying is, you could not kill him with an axe. Would you enter into an agreement with that man, and secure it by a mortgage on your property, by which you bind yourself to pay £1,000 to his representatives in the event of his death, provided that he, during his lifetime, pays you £20 per year? We rather think you would not enter into such an agreement, under which you would have a good deal to lose, and not very much to gain. We venture the opinion that, in spite of his health and hardihood, you would not risk too much on his chances of escaping death, by accident or disease. Yet that is precisely the bargain which a life insurance office is prepared to enter into with you. It is prepared to insure your life, even though you be not quite so robust as your healthy friend, and will pay your estate £1,000 on your death, in return for an annual premium of £20 while you live. That's the company's offer under its Whole Life, Non-Profit policy.

Suppose the manager of your bank should take you into his private room the next time you call, and buttonhole you with this offer on behalf of the institution which he represents. You are to deposit £50 a year during the next 20 years if you live so long. The bank on its part will put £1,000 to your credit, and if you should die during the next 20 years, it guarantees to allow your family to cheque out the whole £1,000. If you live for twenty years, you can draw out the £1,000 that you have deposited, together with interest on your

deposits. That is the proposition which an insurance office submits to you under the name of a 20-Year Endowment Assurance policy.

ANOTHER WAY OF LOOKING AT IT

Take the case of a man aged 30 who is earning £1,000 a year. The capitalised value of his future earnings is £20,000. If he dies during the next twelve months his death will represent an absolute loss of £20,000 to his family.

If that man had insured his life for a substantial sum, the insurance would compensate his family for the money loss involved in the cutting short of his career. The economic value of a man's life is often not realised; otherwise we should not so frequently see the anomaly of a man insuring his house and his goods against fire, his business against defalcations of clerks or accidents to employees, while he takes no measures to insure what is far more valuable to his business and his family—his own earning power.

BECAUSE LIFE INSURANCE IS A PART OF MODERN BUSINESS METHODS

The unrivalled popularity of life insurance is one of the best proofs that it is in reality all that its most eloquent eulogists represent it to be. If life insurance had not great and conclusive arguments in its favour, if it had not fulfilled its promises, if it had not proved its case to the very hilt, there would not be millions of men and women now carrying insurance. It is because life insurance *has* proved its case, that it has won believers among every class and in every nation. And, more than that, it is most noticeable that the leaders in modern life, the best thinkers, the most prominent and successful men are those who endorse most strongly the principle of life insurance. We venture to say that it would be impossible to point to one man of any prominence, in any sphere of life or labour, who is not a believer in life insurance, or who would refuse to express his hearty approbation of it and all that it implies.

BECAUSE IT IS A SAFE INVESTMENT

The security of life insurance as an investment is an argument which appeals to everybody. People are coming more and more to recognise the soundness of the principle which declares that the first essential of an investment is security. In these days, the classes of investment which are mainly patronised by the public are those which give the best guarantees of absolute safety, such as government bonds, savings bank deposits and life insurance policies.

Life insurance offices depend for their support to a large extent on investors of moderate means. These people are chary about placing their small savings in railway stocks, mining shares or stock-exchange securities—investments which they do not thoroughly understand and in which they are at a disadvantage as compared with the big investors of the stock market. They welcome, therefore, life insurance as a field of investment which they can understand, where they are guaranteed absolute security, and where they can invest their money on even terms with their millionaire brethren.

Nor are the wealthy investors backward in their appreciation of the security of life insurance. The richest men in the world have large insurances on their lives. The men who are accustomed to dealing in speculative investments know better than any others the value of an anchor to windward. If their other ventures are speculative, all the more reason to have one investment which can be relied upon as absolutely secure.

Make the most, therefore, of this argument in your favour. Point to the vast accumulations of the life insurance offices, their carefully calculated reserves, the thoroughness of the Government supervision. The life insurance offices are the strongest financial institutions in the world. The man who puts his money in a well conducted life insurance office has the satisfaction of knowing that this investment is as safe as though he had put it in Consols, remembering also that his insurance does not fluctuate.

BECAUSE YOU HAVE SEEN EXAMPLES OF ITS BENEFITS

A man need only look about him to see numerous examples of the vast benefits which life insurance is daily bestowing upon thousands of families. There is no person who has reached the age of discretion who has not observed with his own eyes instances where life insurance has brought assistance to those in need. The agent should bring to his client's attention specific cases where this has happened. He should ask his client to recall to his mind instances within his own personal knowledge of the relief afforded by even a small amount of life insurance provision. Question him about the facts concerning such cases. Point out to him how gloomy the outlook would have been without the assistance given by the life insurance money. Illustrations have great influence with all men, and this is specially the case when the illustrations are "close-to-home" illustrations and known to be true.

BECAUSE IT CREATES AN ESTATE AT ONCE

A great many people look forward to becoming rich who never reach that most desirable goal. Most of those who do reach it usually do so by years of saving and toil. They economise now in order that they may have money to spend in later years. They live poor in order to die rich. They work and worry now in order that sometime in the future they may enjoy ease and plenty.

Life insurance is the only means ever devised of creating wealth by a "stroke of the pen," as it were. By the payment of a comparatively small sum annually a man can create an estate equal to the savings of a lifetime. A man aged 33 by investing 5s. a week can have a Whole Life policy for over £500.

And the best of it is that a man who has set aside out of his income the sum necessary to keep up a suitable life insurance policy, need not worry very much whether he saves anything further or not. He is free to enjoy his income as he receives it in any way that he may think best. So long as his life insurance

is kept up he knows that his family are protected in the event of his death; and if he has taken a suitable Endowment Assurance he knows that there will be a competence for his own old age if he lives.

BECAUSE DEATH IS CERTAIN

Death is certain, and the time of its occurrence is uncertain; a double reason for providing against it. Life insurance is the only means that has ever been devised for making such provision.

It is odd that so many people who quite realise the value of fire insurance, and have their houses, barns and shops fully insured against a possible conflagration, never seem to be able to appreciate the importance of life insurance. The house or barn or shop may never burn. You insure them because there is a bare possibility of a fire occurring. But death is absolutely certain—the only uncertain thing about it is the time of its occurrence—and yet, you are not insured against it. What consistency is there in such a state of things? The premiums you pay for fire insurance will probably never be returned; the premiums you pay on your life policy are certain to be returned to your family some day. You insure the thing of comparatively small importance, but you make no effort to safeguard for your family's sake the most important things of all—your own skill, intelligence and earning-power. If the principle of fire insurance is good, the principle of life insurance is better. If it is wise to provide against a possible loss it is a mark of even greater wisdom to make provision for a loss which is certain to occur.

BECAUSE LIFE INSURANCE GIVES CREDIT

There is no quality which will help a man to credit and to the assistance of successful people more than the reputation of having the saving habit.

The very fact that a man has the foresight to look ahead and provide for the future of himself and others indicates prudence, self-denial, thrift and stability of character. People have more confidence in him from their knowledge of the fact, and the very reputation

of having these characteristics means more influence, more credit, more capital.

There are thousands of men to-day undertaking business and other enterprises by means of capital advanced to them on no other security than a good character, a promissory note and a life insurance policy. If they had no life insurance, they would not have got the money; more than that, many of them would not have accepted the advances of capital if they had not been confident that they were protected by their insurance which would liquidate all debts in the event of their death. The possession of a life insurance policy enables a man to go forward confidently, without experiencing the fear that death may step in and leave his estate encumbered and his family embarrassed by debts which he had incurred.

The value of the life insurance policy as a collateral security is becoming more fully recognised day by day. Bankers enquire from the prospective borrower whether he has a life policy. The man who possesses one gets a larger loan and at a cheaper rate. The man who has no policy is liable to discover some day that the possession of a substantial life policy would mean a lot to him, and that he is seriously handicapped because he does not possess one.

BECAUSE IT INCREASES ONE'S SELF-RESPECT

No man has ever received his life insurance policy from the agent and put the first premium receipt in his pocket without being sensible that the load of responsibility on his shoulders had been lightened, and without feeling an increase of manly self-respect at the thought that he had done what it was his duty to do, and all that it was in his power to do towards providing for the future welfare of those dependent on him.

BECAUSE OF ITS ASSISTANCE IN FINANCIAL DIFFICULTY

An insurance policy is of assistance in financial difficulty. As stated above, lenders will advance money much more readily and on much better terms when the

borrower has a life insurance policy which may be assigned as collateral security. There are many people who require no other security than the life policy, when they know the borrower and have confidence in his integrity. A person of good character and business ability need never lack financial assistance if he is the possessor of an insurance policy. But in addition, nearly all insurance offices will lend on security of their own policies to the extent of the surrender value, and at very moderate rates of interest. This is the easiest and most inexpensive way of raising a temporary loan. There have been many cases where business men have tided themselves over serious financial crises, because they have carried large insurance policies and could borrow from the offices on their policies privately and without affecting their credit in the business world.

As for those who are already in debt, they owe it as a duty to their families to provide a means of paying off their obligations in the event of their death. Are you in debt? Death doesn't satisfy mortgages or repay loans. That mortgage, so light a load for you, may prove a millstone about the neck of your widow.

BECAUSE OF THE SUDDENNESS OF DEATH

Although in perfect health to-day, you may die to-morrow. To realise fully how often death comes suddenly and unexpectedly one must look over the death registers of an insurance office and note the large number of deaths that occur from accident or acute illness within a few months of the issue of the policy. These men, at the time when their policies were issued, were classed as good risks and likely to live out their full expectancy; but within a few months, their policies became claims. If these men had delayed taking out insurance for a few months, weeks, or even in some cases, for a few days, they would have died uninsured and their families would not have had the insurance protection. The same risk is being continually run by all those men who neglect to take out insurance because they feel perfectly well, and do not realise the dangers of delay.

In almost every case where death occurs unexpectedly, the business affairs of the deceased are found to be badly jumbled. He may have left plenty of property, but probably no one but himself knew much about his affairs, and he himself had not expected the catastrophe. The result often is that the family is temporarily embarrassed for want of ready money, and the executors in their haste to straighten out the deceased's tangled affairs and realise on his assets, fail to do their work as well or to dispose of the property to as good advantage as they might. But if the deceased carried insurance, the life policies are always the first of all the assets to be cashed, and the trustees can dispose of the rest of the estate at their leisure, without being obliged to sacrifice any asset in order to expedite matters or obtain ready money. No man can be sure of having time to settle all his affairs before his death, but any man can provide against death, however sudden, by carrying life insurance.

BECAUSE A LIFE POLICY NEVER DEPRECIATES IN VALUE

There are very few kinds of property that are not liable to depreciation. A man leaves his family shares in an industrial concern; after his death the holding may depreciate, it may cease paying dividends and become practically valueless. On the other hand, an insurance policy never depreciates, but is constantly increasing in value. It keeps on growing nights and Sundays. Its surrender value is larger every year, and every year it carries a larger share of accrued surplus. There is no depreciation in this asset during the assured's life, and at his death it is worth more than ever. The person who invests in this class of security has his money ticking away at compound interest, and enjoys insurance protection besides.

BECAUSE IT PAYS YOUR SALARY AFTER DEATH

Suppose your income were to cease entirely and permanently, could you support your family? Foolish

question, you say. Very true; but if you could not do it, how could your widow?

As a wage-earner, you are so much wealth. The income you earn is simply interest on that wealth, which is a total loss to your wife and family if you die uninsured. Your wages cease with your breath; your debts live on, and the daily needs of your family also continue just the same after your decease. The only way to make your income permanent is by means of life insurance. A life insurance policy will pay your salary or your wages after you are gone, and provide for the support of your family as though you were alive.

BECAUSE IT GIVES SO MUCH FOR SO LITTLE

Men generally neglect to consider when they are dilly-dallying and wasting an agent's time, how small and insignificant is the amount of the premium under discussion compared with the amount of the insurance protection offered and its potential value to their families. The insurance premium means £5 to £50 a year to you, but it means hundreds of pounds to your family. Think how much the insurance money might affect your family's future, and then think how little that relatively small premium diminishes your income. Think of what your family would gain—a comfortable home and good surroundings; think of what each of your children would gain—an education, decent clothes, a fair chance in the world! and then think of what you would miss. Your family need the protection more than you need the amount of the premium. A little sacrifice on your part may guard against much misery on theirs.

BECAUSE INSTEAD OF COSTING IT SAVES

One of the most remarkable things about a life insurance policy is the wonderful way in which investment is combined with protection, the net result of the arrangement being that the insurance *protection in the long run costs nothing*. In this world we get very few things that cost us nothing; and the very few things that we get for nothing are usually worth nothing. Things

that are of any value to us generally cost, and we expect them to cost. Even fire insurance, which is so near akin to life insurance, costs; for a man may go on all his life paying fire insurance premiums and yet never collect a cent from the company. But in life insurance, the money invested always comes back. In the case of endowment assurances, the man who pays the money often lives to get it back himself with interest. And even under an ordinary life or limited payment life policy, the money comes back ultimately—if not to the man who paid the premiums, at least to his heirs. This, then, is one of the distinctive features worth remembering regarding life insurance—that it furnishes insurance protection, invests one's money, and instead of costing it saves.

BECAUSE YOU ARE NOT WEALTHY

If you were a millionaire you would not need to insure your life. In making that statement we do not mean to say that millionaires do not take advantage of life insurance, or that they are not wise in doing so. It is a matter of common knowledge that wealthy men *do* almost always carry large amounts of life insurance. They have various reasons for doing so (some of which we discuss on another page) but insurance is not absolutely necessary for them because they have ample estates to bequeath to their families. Therefore we say, if you were a millionaire you would not need to insure your life. But you are *not* a millionaire, and if you died, your family might not fare very well. The millionaire's family does not need additional protection but *your* family does. There is one way and one only in which you can give that protection to them, and that way is—life insurance. A life policy will guarantee to your family just as certain and sure protection as the vast fortune of the wealthy man affords to his; for the life policy is backed up by the security of an insurance office with more millions in its coffers than the plutocrat possesses. Pay your little premium and get the bond of protection to your wife endorsed by that millionaire office.

BECAUSE IT ENCOURAGES THRIFT

Habits of thrift are admitted by everybody to be desirable habits to possess. Like many other desirable things, however, such habits are hard to acquire. We all have the "spending" faculty—very few of us have the "saving" faculty. Money slips through our fingers so easily and in so many different ways that when we balance up our accounts at the end of each week or month we wonder where it all went to. It is not astonishing then, that many people never succeed in saving anything and even at the close of a long and busy career a man often lacks sufficient funds to provide a competence for his old age.

For these reasons, most people welcome any plan which will assist them in establishing the habit of saving; and many men have life insurance—not simply as a protection—but because they have found from experience that it assists them to save money. The premiums under a policy and especially an endowment policy are "*enforced savings.*" The owner of a policy does not like to let it lapse, and therefore makes little sacrifices in order to pay the premiums. It is easier for him to do this because he knows in advance the dates on which the premiums fall due and can provide for them in advance. And so the years pass, until at length the endowment matures, and as the assured cashes his policy and the profits he realises how much his little savings from year to year have accumulated to, and recognises that, but for the life insurance policy, all his money would probably have been spent with nothing tangible to show for it.

Other men who have not been wise enough to take out insurance will have, many of them, a different story to tell. Look back twenty years, men of fifty! Where are all your good resolutions about saving annually? Where is the balance in the bank you intended to have? If you had taken out an endowment policy, you would have paid your premiums as you have your grocery bills—wouldn't have missed the money—would have lived just as well, and would now have in cash hundreds of pounds which have "dribbled" away somewhere or other, you don't exactly know how.

It will pay any man, for the sake of economy, if for no other reason to carry an endowment assurance. This is particularly true of young men. The saving of a few shillings a month will meet the premiums; it will teach them habits of economy which will greatly benefit them, as well as provide a fund for future years.

Comparisons are sometimes made between the relative advantages of saving money by means of a life policy and by means of a savings bank account. The returns from an endowment policy in a good office are better than those from a savings bank, but, and this is the present point, where is the man who would keep up year in and year out for fifteen, twenty or twenty-five years the habit of placing a fixed sum in the savings bank with the same regularity he would use in paying his life insurance premiums? The premiums on the policy are paid promptly, because the policy would lapse if they were not so paid; but there is nothing depending on the regularity of the savings bank deposits. And the money paid on the policy is *saved*; whereas owing to the fatal facility with which savings deposits can be withdrawn—the money which is put *in* to-day is frequently taken *out* again to-morrow.

BECAUSE IT LEAVES ONE FREE TO LIVE UP TO HIS INCOME

Thousands of men insure mainly for the reason that it enables them, while not neglecting the future, to enjoy the present. In the ordinary course of things, man would have to earn and save for a good many years before he could amass an estate sufficient to provide for his family as he would wish to see them provided for in the event of his death; and until the necessary amount of money had been accumulated for that purpose, his life would be unpleasantly full of sacrifice and saving and anxiety. But life insurance by a stroke of the pen creates a potential estate equivalent to the savings of years; and the man who takes advantage of this means of providing for his family and his own declining years can live with some degree of comfort, not worrying over trifling expenditures, not scraping in order to accomplish petty savings but free from anxiety

and with opportunity for the enjoyment of the fruits of his labour.

BECAUSE YOU WILL BE GLAD LATER ON

You never hear a man of middle age expressing regret that he insured his life years ago; his regret is always that he didn't insure earlier and for a larger amount. When a man has begun to reap the results of his earlier foresight and economy, he congratulates himself that he had sense enough to insure his life. When he cashes his matured endowment, his only regret is that in signing that proposal for insurance twenty years ago he didn't make it for double the amount.

It is from the men who never insure, or delay too long in insuring, that we hear the complaints. "Yes," said a business man the other day, "I wish to goodness that when I was a youngster in the twenties some life insurance agent had happened along and plagued me into insuring."

The man who uttered these words was probably expressing the feelings of thousands of others who for the same reasons regret their failure to insure early in life. Too late, he realised that he had thoughtlessly cast away a golden opportunity, and now that he is a middle-aged man, he sometimes compares regretfully what really is with what might have been, somewhat in the following manner:—

When he was a young man he might have obtained the insurance at half the price.

When he was a young man he thought he did not require the insurance. He is now married and must have it whatever the cost.

Before he was married he could afford the insurance better than he can now.

If he had insured years ago he might now be drawing the proceeds, instead of scraping incessantly to make ends meet.

If he had insured, he might have saved hundreds of pounds that were spent extravagantly, and without yielding him any permanent good.

If the premiums he is now paying were not so high, he would be free to enjoy a much larger portion of his income.

If he had insured years ago, he would now have something to show for the money which he meant to put in the bank, but which somehow never reached there.

The following tables show in a striking manner the rapidity with which the cost of insurance increases as age becomes greater. Table 1 gives the annual premium at each age for £1,000 whole life insurance with profits. Table 2 gives the amount of similar insurance that £19 (the annual premium at age 20) will purchase at each age*:—

TABLE 1

Age.	Annual Prem. £
20	19.00
21	19.40
22	19.65
23	20.30
24	20.75
25	21.30
26	21.85
27	22.40
28	23.00
29	23.60
30	24.25
31	24.90
32	25.60
33	26.35
34	27.10
35	27.95
36	28.80
37	29.70
38	30.60
39	31.60
40	32.60
41	33.70
42	34.85
43	36.10
44	37.45
45	38.35
46	40.30

TABLE 2

Age.	Insurance that £19 will buy. £
20	1,000
21	979
22	951
23	930
24	916
25	892
26	870
27	848
28	826
29	805
30	784
31	763
32	742
33	721
34	701
35	680
36	660
37	640
38	621
39	601
40	583
41	564
42	545
43	526
44	507
45	489
46	471

* For convenience the premiums in table 1 have been stated in decimals of £1; thus £40.30 equals £40 6s. And they are somewhat higher than those normally charged for £1,000 policies.

TABLE 1

Age.	Annual Prem. £
47	41.85
48	43.50
49	45.20
50	47.05
51	48.95
52	51.00
53	53.20
54	55.55
55	58.10
56	60.75
57	63.55
58	66.55
59	69.80
60	73.20

TABLE 2

Age.	Insurance that £19 will buy. £
47	454
48	437
49	420
50	404
51	388
52	373
53	357
54	342
55	327
56	313
57	299
58	285
59	272
60	260

WANAMAKER'S REASONS FOR INSURING HIS LIFE

I have been so often asked about my own insurance that I am going to gratify a curiosity that some of you have expressed perhaps in regard to it. I had no thought whatever of becoming the largest life insurer, if that is true, as has been sometimes said of me.

I have never started out to do any large thing, but I have been a great hand to work hard at everything I took hold of.

I do not own a share in nor have I official connection with any insurance company in the world.

I did not know until after it had been done that the amount was larger than any other.

There is not any man that I would not sooner see have a larger line, and I will promptly yield the place to any of you or your friends.

It was the influence of one man who thought about it, and I was the man.

I simply worked out five conclusions as the result of my own thinking, without any moving cause except my own judgment.

First—That at that time I knew I was insurable, and I could not be certain of immunity from accident or ill-health, and it might be that at some future time I

would not be insurable. That was the first step to the building of sixty-two policies.

Second—That life insurance was one of the best forms of investment, because from the moment it was made it was good for all it cost and carried with it a guarantee that there was protection in that investment that I could not get in any other.

Third—That life insurance in the long run was a saving fund, that not only saved, but took average care of my deposits and took me in partnership into possible profits, that not infrequently returned principal and interest and profit.

Fourth—That life insurance regarded from the standpoint of quick determination, was more profitable than any other investment I could make.

Fifth—That it enabled a man to give away all he wished during his lifetime and still make such an estate as he cared to leave.

THE SECURITY OF LIFE INSURANCE

This argument is one of the strongest cards in the insurance man's hands and if he is wise he will play it frequently and boldly. It appeals to everyone from the experienced financier who knows well the uncertainty of many so-called "safe" investments to the canny farmer who is suspicious of every form of investment except the savings bank.

A life insurance office is safer than a bank. Why? For this reason. The cause that has produced most bank failures has not been insolvency. In the majority of cases the bank, if given time to realise upon its assets, could have paid its creditors in full. But there came a panic, a run upon the bank, the bank had its money tied up in investments of various kinds, and was unable to meet its obligations at once. From the nature of its liabilities a life insurance office has no cause to fear a sudden accumulation of claims. Its death losses come one at a time, periodically, gradually—even regularly. It can take advantage of desirable investments of every kind. It can gauge with sufficient exactness the amounts that will require to be paid out in claims

for many months and even years in advance. The most wide-reaching panic, the most serious periods of financial stress bear less heavily on a life insurance office than on any other of the financial institutions of modern times.

As one of the most famous British actuaries and mathematicians of the last century, Prof. De Morgan, has said, " There is nothing in the commercial world that approaches, even remotely, the security of a well-established life insurance company."

LOOK FORWARD TO THE MATURITY OF THE CONTRACT

In canvassing a person for an endowment assurance, it is well to induce him to look forward to the completion of the contract and enjoy in anticipation the fruits of his years of saving. Your object being to make the inducement to insure as strong as possible, it will be worth your while if you can get him to realise with the utmost vividness how much the receipt of such a large sum of money at that future date is going to mean to him. Nearly every man has some hope, ambition or intention which he cherishes for his later years. One man is continually looking forward to the time when he shall have saved enough to permit him to enjoy himself in retirement, or to occupy himself with some hobby, or spend a number of years in travel. A favourite ambition with city men is to be the owner of a country estate, and many people look forward to the time when they can afford to go and live at the seaside. All men have their pet schemes for the future and in most cases the possession of a certain amount of money is essential to the realisation of these schemes; so that if you can influence a client of yours to associate the endowment with those plans for his career which he is cherishing, you are in a position to bring the strongest possible inducement to bear upon him.

You can make a person realise how much an endowment policy might mean to him in his career if you point to men of his acquaintance who are now at the age which he will have attained when his endowment matures, and show how valuable an endowment would have been to them. " Look at A! What a lucky wind-

fall it would be for him, if he had an endowment maturing this year that would put another £1,000 into his business. Or take B! If he had insured on the endowment plan when he was your age and had systematically saved in order to keep it up, he might pay off the mortgage on his farm this year. Or, what about C? If he had invested in an endowment only a small portion of the money which he has earned during the last 25 years, he might be a man of leisure now, instead of being compelled to slave for an indefinite period in order to replace what he has lost on bad investments or spent carelessly." In a community where you know most of the people, it will not be difficult to find plenty of illustrations along these lines, which are sure to appeal to your prospect with that special force which always attaches to an argument supported by concrete examples.

Arguments for Insuring Without Delay

CONCERNING ARGUMENTS AGAINST PROCRASTINATION

When an agent is making a canvass for insurance, he has usually a double task to perform. First, he must convince his prospect that life insurance is desirable. But he cannot stop there. He must do more than merely bring his client into an acquiescent state of mind in which his life insurance arguments are perceived to be good theory. That is only the first step. The second is to induce the client to act now; and this second step is generally the more difficult of the two.

If all men were accustomed to carry out in practice these things which they approve of in theory, the agent's task would be much simplified. He would only require to convince his client that life insurance is desirable, and the client, having been convinced, would immediately act in accordance with his convictions. Unfortunately, such an ideal state of affairs has not yet been reached. Men act in regard to life insurance with the same inconsistency which they exhibit in other matters. They see the good but follow it not; they make good resolutions but keep them not.

The problem for the agent to solve after he has obtained the approval of his prospect is how to induce him to act. There are two methods which the agent may adopt. He may employ arguments along the lines suggested in succeeding pages, to demonstrate the importance of immediate action. These arguments are very often successful. Or the agent may follow another and more subtle plan. Let him concentrate his efforts on enhancing the desirability of the policy which he is trying to sell. Having once won his prospect's approval of the proposition, let him endeavour in every legitimate manner to render it more and more attractive—in short, to place it in such a favourable light that the

prospect's own desire to possess the policy will induce him (without further argument on the part of the agent) to make his application on the spot.

N.B.—A man may say of a thing, "I ought to have that," yet he doesn't always make any effort to get it; but if he says of a thing, "I want to have that," then he generally gets it if he can, and gets it quick.

UNCERTAINTY OF LIFE

If a man admits that he needs insurance, but wishes for some reason or other to delay taking it out, the agent should point out that if he needs the protection at all, he needs it now. If he has a family dependent upon him, he is jeopardising them by his delay. Every day's procrastination involves risk.

Emphasise this argument as strongly and persistently as you can. It is unassailable. Pin your man down to the facts. Make him face the undeniable fact that he is running a big risk if he foolishly postpones the date of his proposal. Cite illustrations to prove the danger of delay. Any illustrations taken from one's personal experience have double force.

Remember, moreover, that in a conversation such as this, you are right and he, the prospect, is wrong. Your client feels that your words are just, and that he is exposing his family to risk by postponing his insurance. Don't forget that fact, for it gives you a great advantage over your client, and a grip on him which you could not otherwise have.

PREMIUM INCREASES WITH AGE

This is another of the trite old arguments in favour of insuring *now*. Like many other well-known arguments, it is so well known that agents sometimes think it unnecessary to refer to it. Nothing of the sort. Because the fact is trite to you who have been brought face to face with it, it does not necessarily follow that it is equally obvious to the person whom you are canvassing for insurance. People unfamiliar with mortality tables often fail to realise how rapidly the rate of mortality increases with age. Point out to them that

a Whole Life £3,000 policy costs no more at age 20 than does £2,000 at age 35, or £1,000 at age 55. Point out similar figures for other tables. These figures constitute a strong argument in favour of taking out insurance as early as possible when the cost is lowest. Many a man who takes out insurance at middle age reflects with regret that he might have secured a much larger policy for the same premium and have had it nearly paid for, if he had only acted years ago.

MANY WHO DELAY BECOME UNINSURABLE

One of the strongest reasons against procrastination in taking out life insurance is the danger which exists of becoming uninsurable. A serious illness may occur which will undermine a previously healthy constitution, or render insurance an impossibility. Or a change of family history may take place, such as the death of a near relative from consumption, or some other grave disease, and as a result the would-be policyholder will find that he cannot obtain insurance except with a lien or extra premium. Events such as these are common. A prominent life office reports that recently in a single year it declined 6,154 applications for insurance aggregating £3,200,000. The probability is that most of these 6,154 applicants who were declined as uninsurable *might at one time have obtained insurance*, but they delayed too long. Dwell upon the risk of delay. If you know of any instances within your own experience which illustrate your argument, so much the better. Almost any agent who has been in the business for any length of time will have personally met with examples which emphasise the folly of delaying to secure life insurance *when it can be secured*. Weave these illustrations into your argument with tact and earnestness, and the argument will *count*—every time.

DO IT NOW

Sometimes, when you meet with a client who admits that insurance is good, will take it out some time but at present wants to delay, it is well to put the case to him in general terms, somewhat as follows:—

The wise man as soon as he is convinced that a course is the proper one acts without delay. The successful men have always been those who, having discovered the right course, followed it as soon as the discovery was made. On the other hand, things postponed are often not done at all. Half the failures in life are caused by procrastination. These statements are true as applied to the ordinary affairs of life—they are equally true as applied to the transaction which you are now considering.

Objections to Insurance

OBJECTIONS IN GENERAL

Nine people out of ten to whom you try to sell a policy will offer some excuse. Make up your mind for that in advance, and don't let it dampen your ardour in the slightest degree.

A clever agent is prepared for objections, and keeps the arguments at his fingers' ends, by means of which the most common objections to insurance may be met. In the following pages we have endeavoured to indicate the replies to some of the "stock" objections which the life agent has to encounter. Nevertheless, it does not follow that it is always wisest to employ these arguments. In fact, in many cases, it is better to evade an objection. Walk around it, or over it, or under it. Appear not to notice it. Many men do not like being worsted in an argument. Very often the more vigorously you combat an objection, the more tenaciously your prospect clings to his position.

But, in the majority of cases, objections are nothing more than excuses. They are an evidence that your prospect feels the force of your reasoning, and is now grasping desperately for defences. It means that he has found his original position untenable and is now seeking new cover. In nine cases out of ten, you have your man at your mercy, if you can prevent him from drawing a red herring across the track.

Therefore, your best plan is to pay no attention to the objection (often flimsy enough) which he interposes. Continue to dwell upon the argument and the advantages in favour of insurance. Make him believe that it is a desirable proposition, a valuable proposition, a necessary proposition. If he feels that he would like to have it, that he ought to have it, and that he must have it, then he will have it in spite of his excuses.

" HAVE ALL THE INSURANCE I CAN AFFORD "

The man who raises this objection may possibly be right, and in that case the agent would be making a mistake in urging his client to assume a burden too heavy to be carried. Therefore before setting to work to combat the objection, the agent should ascertain whether it is well-founded.

But more often this objection has no real strength behind it. It is an excuse, pure and simple, and the agent would be foolish to waste a moment's time in discussing it. His best plan is to evade or pass over the objection without contradiction or notice and devote his energies to the task of pointing out to the prospect how necessary insurance is to him and his family, dwelling on his strong points, and using every effort to make his proposition as attractive as possible. Once persuade the prospect that he wants the insurance, and he will have it in spite of his threadbare and overworked excuse.

" HAVE ALL THE INSURANCE I NEED "

A man never has all the insurance he needs, unless he carries sufficient to make it certain that his family will be able to subsist in reasonable and decent comfort after his decease. Very often the man who uses this argument carries two or three hundred pounds in life insurance and talks as though the interest on that sum would provide his family with a living. Half a loaf is better than no bread; two or three hundred pounds is better than no insurance at all; but two or three hundred pounds will not go very far in supporting a family. If the men who utter the above excuse would only sit down and do a little figuring in regard to this matter of the extent and sufficiency of the provision which they have made for their families we imagine that quite a few of them would be willing to admit that they have not got all the insurance they need.

Then there are other questions to be considered in this connection. Have you commenced to make any adequate provision for your own support after you retire from the activities of business life? Does not

your business depend to a very large extent upon your personality, and, if so, would an insurance policy on your life not prove a considerable protection to the interest of your business? Are there mortgages or debts outstanding which might prove very embarrassing in the event of your sudden decease? Would a larger line of life insurance be of assistance to you in obtaining credit in your business? Are you depending to any large extent upon more or less speculative or hazardous investments, and, in that case, would it not be advisable as a safeguard to carry a large line of life insurance? All these points have to be considered and answered before you can announce confidently that you have all the insurance you need.

"LIFE INSURANCE A GAMBLE"

No such thing. Life insurance is one of the most open and straightforward propositions possible; it stands for certainty, security and stability. The man who insures his life is not gambling. But if there is a person above all others who is gambling, speculating on his chances of life and death, playing fast and loose with fate, it is the man who, with a wife and children dependent on him, makes no provision for their support in the event of his death, and wilfully exposes them to all the misfortunes which would result from a sudden illness or fatal accident to the breadwinner of the family.

There is nothing so uncertain as the life of an individual. At the same time, there are few things more certain than the chances of life and death of a large number of individuals. The law of mortality is so steadfast and certain that among 10,000 insured individuals an actuary can ascertain with sufficient exactness for all practical purposes the number who will survive each year. And, therefore, life insurance, by bringing together a large number of risks, overcomes the uncertainty which attaches to human life and supplies in its place practical certainty. A life insurance office may be regarded as a society composed of thousands of individuals, banded together for the purpose of protection, each one paying a contribution which has

been fixed with scientific exactitude. There is nothing of uncertainty or speculation about such a society.

But the man who neglects to take advantage of the security thus afforded, and exposes himself and family to the uncertain chances of his individual fate—he is the real gambler.

"COSTS TOO MUCH"

When a man raises this objection, ask him if it costs a man to save money; to start a bank account; to invest funds in a mortgage. Are any of these an expense? Would you say that it costs you the money you lay aside? Why no! Bank deposits are an asset, and so the other investments. So is life insurance. When a man takes out a life policy, he is not spending the premiums, he is investing them. If he dies soon after, the office pays back many times what he paid in—no other investment could yield anything like as good a return. If he lives fifteen or twenty or twenty-five years, he gets his money back with interest. No matter how long he retains the policy, the money will come back some day, to himself or his estate. Why, then, should it be said that life insurance costs? It doesn't cost; it saves.

"NO ONE DEPENDING ON ME"

This is one of the really hard objections to answer. The best and strongest argument in favour of life insurance—family protection—is not appropriate in such a case. The arguments that usually prove the agent's most effective weapons fall harmless when directed against a man who has no one depending on him. Fortunately one rarely meets a person who has absolutely no family ties.

Young unmarried men sometimes put forward the above excuse. The agent must in such a case remind his prospect that while he may not at present have any one depending on him, it is probable that he will some day marry and therefore stand in need of insurance. There are many advantages to be gained by insuring now. He will never be able to secure insurance at so

low a rate again. He is in good health now and insurable; his serious illness, or even a change in his family history might render him uninsurable, or insurable only at a higher premium or with a lien. Moreover he can probably afford the premium better now when he has only himself to support, and by insuring now he may have a considerable portion of his policy paid for by the time he marries. He will also form valuable habits of thrift, and probably save a good deal of money in this way which otherwise would have been spent extravagantly or carelessly.

An endowment assurance is the best to canvass for in such a case as this, as it is a profitable investment apart from the insurance protection which it affords. A young man who takes an endowment has an investment which will help him to save his money, will furnish some provision for his later years, and if he marries will provide the insurance protection which he will then need.

"CAN INVEST MY MONEY BETTER"

Even if the prospect could make a more profitable investment than an insurance policy he would not be justified in doing so, if he has dependants. If the agent knows that his customer really requires protection he can afford to disregard the above argument and pin his man down relentlessy to the unalterable duty of providing for those dependent upon him.

If the prospect has no one dependent upon him, the agent must talk endowment assurance, and point out that there are no other investments yielding a higher return and at the same time equal security. (See also "The Investment Argument," page 155.)

"CAN'T AFFORD IT"

When you know that your prospect has a family depending on him and needs the insurance, you can be content to ignore an objection like the above. If you can make him realise that he must have it, he will afford it, somehow or other. Generally the objection is a bluff, set up to draw you off the subject. Don't pay any attention to it.

Sometimes, though, the very objection can be turned into an argument in your favour. " If it is hard for you to make both ends meet, what about your family after your death? If you cannot spare one-tenth of your income to buy insurance while you live, how will your family spare the ten-tenths of it, if you die? When asked to insure you reply, ' I don't know where the money is to come from.'

" Imagine the different meaning of those words on the lips of your widow. If a man with business capacity finds times hard, how would women and children find them?

" Your family need the protection more than you need the premiums. A little sacrifice on your part guards against much misery on theirs."

" I AM IN GOOD HEALTH--DON'T NEED INSURANCE "

" If you are in good health, this is the very time for you to take insurance. Insurance offices are not looking for invalid risks; if you wait until you feel ill, before applying for a policy, you will never get one.

" And the mere fact that you are in good health does not give you a lease of life for any certain time. In your own experience you have known men to die who were in perfect health only a short time previously. If you were to look over the register of any life insurance office you would be amazed at the number of deaths among those who only a few months, or weeks, or even days, previously were passed by the medical examiner as excellent risks. There are acute forms of disease and accidents which carry off the robust as well as the infirm. You are trifling with the future of all those dependent on you, when you deliberately blind your eyes to the fate which is constantly carrying off others, and may touch you as well."

" I NEED A POLICY FOR £1,000: WILL WAIT UNTIL I CAN AFFORD IT "

There are some men who, because they cannot afford to take as much insurance as they would like to have,

go without any. They say they will take it all at once—later. They refuse to believe that half a loaf is better than no bread.

Take the case of two men, A and B. A took out four 20-Payment Whole Life policies for £250 each, as he reached the ages of 25, 30, 35 and 40. B waited till he was 40, and then took a policy for £1,000. A took

Policy.	At age.	Annual prem.	Total cost
£250	25	£7 10s.	£150
£250	30	£8 6s.	£166
£250	35	£9 4s.	£184
£250	40	£10 6s.	£206
£1,000		£35 6s.	£706

B, on the other hand, took £1,000 at age 40; annual premium £41 4s.; total premiums in twenty years, £824. In other words, A, who was willing to take his insurance in small instalments as he could afford it, had the following advantages over B:

A's annual premiums amounted to £35 6s., as compared to B's £41 4s.; and in the long run A, if he lived, would pay only £706, as compared with B's £824.

B ran the risk of dying or becoming uninsurable in the 15 years during which A was already insured.

A's policies were respectively 5, 10 and 15 years old; and had accumulated large cash and loan values before B took out any insurance at all.

"NEED ALL MY MONEY IN MY BUSINESS"

This is an objection which the insurance agent sometimes meets upon the lips of a business man, and it requires careful handling. The objection usually comes from a man who admits that insurance is all right in theory, and that he would like to carry a policy if he saw his way clear to do so, but every cent of available capital, he claims, is required in his business. It is

useless for the agent in such case to take direct issue with his prospect, or discuss with him how much or how little capital is needed in his business undertakings. A man's business is his own affair, and it is hardly likely that he will tolerate criticism or discussion of it from a stranger. The agent will therefore require to guard against the slightest suspicion of meddling with his prospect's private affairs, and instead of challenging the objection by a direct denial, he can execute a flanking movement and attack it from the rear—thus:

1. Putting money in life insurance is helping your business. Life insurance strengthens a man's credit, and good credit helps a man to get accommodation. A life policy is collateral security of the very first rank, and bankers recognise it as such. More than that, after the first few years, you can borrow on security of the policy alone.

2. A man may have every reason to believe that he will make money safely and rapidly in the future as he has in the past, but "the best laid plans o' mice and men gang aft agley," and it is wise to have an anchor to windward.

3. The best proof of the weight of the foregoing arguments is that the most successful business men are always the firmest believers in life insurance. Many of them were at one time in the position of the prospect under discussion, yet after weighing up the position they took out policies.

4. After all, what is the object and purpose of your business if it is not to provide for your family and your own old age? And is that not also the aim of life insurance? So that when you put your money in life assurance you attain the self-same ends that you are aiming at when you invest your money in your business. But you accomplish your purpose much more safely and surely when you make use of life insurance. For if you died before the provision for your family was completed, your business (deprived of your skill and energy) might be almost worthless to your family; whereas, life insurance, in such a case, would prove the very best investment that could have been

made. And even if you lived, and your business prospers, and you retire at length to enjoy the fruits of your labours, you will nevertheless not regret having invested some of your money in life insurance; for even if your life policies yield you somewhat smaller returns than your business, you will have been more than compensated by the increased sense of security and ease that you have enjoyed thereby.

5. In short, no man with a family to support and protect, and without insurance whereby to protect them, can properly say that he needs all his money in his business. It would be more fitting for him to say that he dare not use his money for his business or for any other purpose, until he has done his duty towards those dependent upon him by providing an adequate amount of life insurance for their protection. When he has done that, he can incur liabilities or pledge his credit or "take chances" in business to an extent to which an uninsured man simply dares not venture. In fact, it is only by means of life insurance that a man with a family can invest everything in his business.

"HAVE TO DIE TO WIN"

This, as someone has said, is one of the mouldy objections to life insurance, neither funny nor fair. You have to die, and why not win?

But it is not necessary to die in order to win. The man who cashes a matured endowment and its profits will tell you that he did not have to die to win. If you question him about his views on the subject of life insurance in general and endowment policies in particular, he will tell you that for fifteen, twenty or twenty-five years his family enjoyed the protection of a far larger sum than he could possibly have provided in any other manner; that he never had an investment that gave him so little anxiety or trouble; that it helped him a number of times in financial difficulty; that he finally received back his whole investment with compound interest; and that if he could live his life over again he would insure for double the amount.

LIVE POOR TO DIE RICH

This is another of the often-heard, often-refuted, yet oft-repeated objections—that the man who insures "lives poor in order to die rich."

As a matter of fact, the man who has life insurance is the very man who is under no necessity to "live poor." His family is protected; he has made provision for his own old age; he can live up to his income without feeling the slightest anxiety as to the future. Most other men—we are speaking now of men who possess enough conscience to feel some sense of responsibility for their families' welfare and enough foresight to make some provision for their own future—other men are obliged to exercise strict economy and self-denial for many years before they succeed in accumulating a sufficient estate to guarantee protection to their families and a competence for themselves; they are, in fact, obliged to "live poor" during all that interval in which they are feverishly endeavouring to gather together a sufficient fortune to protect them against the unknown contingencies of the future. The man without insurance labours to accumulate an estate which will provide protection against death or old age; the man with insurance relies upon the office's guarantee against both these contingencies. The uninsured individual, if he lives, will probably accumulate the estate he has been striving for, although at the expense of much self-denial, anxiety and risk; if he dies in the meantime, however, neither he nor his family will ever enjoy that estate. The insured person, on the other hand, creates his estate by a stroke of the pen and lives free from anxiety or uncertainty, because, whether he lives or dies, the necessary provision has been made. Which man is it, under these circumstances, that "lives poor to die rich?"

"I'LL RUN THE RISK"

"No, it is your family that runs the risk, not you. It is your family that runs the risk of poverty, struggle, hardships and want. You run no risk if you remain uninsured, but your family does. You will never see

the results if you die uninsured; but your family will see and feel them. You may never realise how hopeless is the dilemma; but it is certain that your widow and your children will surely taste the full bitterness of such a situation if you leave them unprovided for.

"Therefore, don't say, 'I will run the risk,' as though you were doing a bold and manly thing."

This man either does not realise what he is say g or else his real meaning is, "I don't care enough r my family to insure. Let them take their chance "

"WILL INSURE NEXT YEAR

This excuse, in one form or another, is frequently interposed. The prospect has no objection to life insurance, admits it is a good thing, may even promise his proposal later on, but for some reason or other wants to have the matter postponed for the present.

In such a case, the usual argume against delay are applicable. The agent must emphasise the uncertainty of life. The prospect may be dead a year from now. There is also the uncertainty of health; twelve months hence he may be uninsurable. Then there is the increased cost to be considered, every year's delay means an increased premium.

"And, anyway, why are you intending to insure a year from now? Isn't it because you feel the responsibility resting upon you to provide for your family—because you recognise the unhappy position in which they would be placed in the event of your death; because you know that life insurance is a good thing? Well, if it is a good thing a year hence, isn't it a good thing now? Your family needs the insurance protection during the coming year as much as they will ever need it, and you can't afford to let them take chances. Do it now, make uncertainty certain, get the load of responsibility off your shoulders by insuring at once. It may involve a little sacrifice, a little temporary inconvenience, but these considerations are trivial in comparison with the responsibility of leaving your family during twelve long months absolutely without protection in the event of your death."

"WIFE OBJECTS"

This excuse is usually of the nature of a bluff. The best plan is to ignore the objection altogether and allow nothing to delay or turn you aside from the path of your argument. Or you can call the bluff by interviewing his wife—in which case you will usually find that she has no objections whatever to her husband taking out insurance, but very probably approves of it most strongly. This is nearly always the case where there is a family, for the wife will usually be very anxious for her husband to carry insurance protection—not for her own sake so much as for the children. In many instances, proposals have been thus written which would never have been obtained at all if it had not been for the efforts and influence of the wife.

It sometimes happens, however, that a woman for sentimental reasons doesn't like life insurance because it suggests the idea of a money equivalent for the husband's life. When you find that the matter stands thus, it is better not to refer the proposition to her at all, but rather to appeal to the husband's common sense to ignore his wife's foolish scruples, and to make the necessary provision for his family, whether with her knowledge or not.

"Wives may object to life insurance, but widows never do."

RELIGIOUS OBJECTIONS

One occasionally runs up against an objector who maintains that life insurance is unscriptural, a violation of the injunction, "Take no thought for the morrow," etc. A man who takes this stand is usually so obstinate that argument with him is wasted. The agent might, however, set him the task of reconciling his creed with the following text:

"But if any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel." I. Timothy, v. 8.

SOME PUZZLERS

For the man who objects. Ask him to supply answers to a few of the following:—

Do you suppose a man ever died fully insured whose widow lamented the fact that he had not invested his money in some other manner?

Did you ever meet a man who, being unable on account of illness, or accident, or unfavourable family history to obtain insurance, did not bitterly regret that he had not taken it years before, when he had a chance to do so?

Did you ever meet a man who had paid premiums on an endowment policy for a number of years, and who, at the maturity of the policy, wished it had been for only half the amount?

Where is the man who would not insure immediately if he knew that his death would certainly occur within the next ten years? Do you know that you will live ten years?

Do you know of any man whose children were forced to go without an education owing to the fact that their father when he died had no life insurance?

Lapses

LAPSES—FROM THE OFFICE'S STANDPOINT

Every well-managed insurance office realises that the quality of the business written is of more importance than its quantity. And this, for several reasons. In the first place, it is a well-known fact that in the case of a new policy, the loading on the first year's premium is never sufficient to pay the first year's expenses (agent's commission, medical fee, clerical expenses, etc.). It often takes three years before a policy yields a profit to the office. And, if the policy lapses previously there is usually a loss to the office on the transaction. Hence it is not to be expected that any office is going to view with equanimity a very rapid dropping off in any agency of business which it has paid good money to obtain.

Secondly, this ephemeral class of business has the effect of increasing the office's lapse rate, and this is a matter not to be lightly regarded in these days.

Thirdly, a lapsed policyholder is very often a disgruntled policyholder, and a poor advertisement for the office. He feels that he has not received value for what he has paid in.

These are some of the reasons why insurance offices view lapses with so much disfavour, and why they take so much trouble to prevent them. The same reasons explain also why the men who can point to a low lapse ratio are most frequently chosen for promotion.

THE CAUSE OF LAPSES

Lapses can generally be traced to one or another of several well-known causes. Sometimes it is found that the lapse is due to a change in the financial position

of the insured; he is really unable to continue payment of the premiums; in such a case, of course, no blame attaches to the agent, and both he and the office are powerless to prevent the lapse. Or it may be that the policy has been "switched" by an unscrupulous agent to a rival company. That, too, is not the fault of the agent who originally wrote the business. But in many other cases the agent is not so free from blame, and often it would appear that proper action on his part would have prevented the lapse. For example:

1. Very frequently the lapse can be traced directly or indirectly to a misunderstanding of the policy by the insured. This may have been due to a lack of clearness and thoroughness in the explanation of the policy by the agent at the time when the business was closed. The ordinary man is not possessed of a clear understanding of even the elementary principles of insurance, and in many cases a great deal of explanation will be necessary to give the applicant a clear idea of the transaction. A policyholder, to be permanent, must be satisfied with his contract. And thus is seen the important bearing which the method of securing business has upon the lapse-ratio.

2. Lapses are generally numerous in the area of an agent who does business among a poor class of prospects. An agent may be pretty well sized up by an examination of the class of business he writes. An agent who expends his energy in canvassing loafers, shiftless characters, and other "men of straw" is certain to have lapses in abundance. He may write a large amount of business, but it will not stick. The agent who is seeking to build up a permanent business will exercise a good deal of discretion in the class of clients that he solicits; he will try for the best business within his reach; and he will have few lapses.

AGENT'S DUTY RE LAPSES

There are at least four reasons why the agent do his best to co-operate with his office in preventing lapses, and in reviving the policies when lapses do occur.

1. In the first place, his sense of loyalty to the office ought to induce him to do so. This is no empty commonplace. A man always does better when he is working in loyal harmony with the office that he represents.

2. The renewal commissions constitute a large and always-growing proportion of the agent's income. It will generally pay him for this reason alone, to look after the renewals and prevent lapses as far as he is able.

3. Besides, the collection of the renewal premiums fits in perfectly with the writing of new business. Every agent relies to a very large extent upon his old policyholders for new insurance, and, since he must canvass them, there is no better occasion than the time when their renewal premiums are falling due. If an agent can keep down lapses in his agency, it is proof that his policyholders are satisfied with their contracts. It is a sign that he is in close touch with his clients, that they have confidence in him, and, generally, that they are placing their additional insurance with him.

4. Finally, the success which an agent has in dealing with the problem of lapses generally has a good deal to do with his promotion. On a previous page, we showed how life insurance offices usually regard this lapse-question, and that in their view the permanence of an agency's business is fully as important as the quantity of new business written by the agency. It is safe to say that the agent who does not produce business of the right quality will not secure promotion; while, on the other hand, if an agent is able to write business that will stay, that fact looms large in the eyes of the powers at head office. It is a mistake for any life insurance agent to imagine that his chances for advancement depend solely on the volume of new business that he is able to produce. A test that is quite as frequently applied to an agent's work is this test of the permanence of his business.

THE INDIFFERENT TRAVELLER

Once there was a man who started on a 20-mile journey. It was greatly to his advantage to reach his

destination, and he knew it. So he carefully considered the matter, weighed his chances of arriving without undue fatigue, and having finally decided that from every point of view it was both his duty and for his profit to make the journey he proceeded on his way.

Having reached the first milestone he stopped. An acquaintance who overtook him asked:

"Are you afraid you won't be able to reach the end of your journey?"

"Oh, no."

"Haven't you the same object in making it as you had at first?"

"Yes, just the same."

"Don't you think as you have gone so far it is even more to your advantage to press on that it was at the start?"

"Yes, I think so."

"Well, then, why don't you keep on?"

"I can make this journey some other time."

"But you will have to start all over again and lose the part of it you have already made."

"I don't care. Another time will suit me better."

Did he ever make the journey? No, he died.

His journey represented the premiums on a 20-Year Endowment Assurance.

He had paid one premium and could have paid them all.

His policy lapsed.

He was saved the trouble of completing the journey but his family were deprived of the protection of the insurance money.

Moral: When insured stay insured.

Different Kinds of Life Policies

The chief plans of life insurance in ordinary use may be briefly classified as (1) Whole Life, (2) Term, (3) Endowment Assurance. There are several others but they are variations of the above three.

WHOLE LIFE—A whole life policy is one that insures the holder thereof during the whole of his life, provided that premiums are duly paid. Sometimes, the premiums are made payable as long as the insured lives, in which case the plan is called "a whole life policy with continuous premiums," or "a whole life policy." In other cases the premiums are payable for not more than a fixed term of years, and if the insured survives beyond that fixed term the policy continues in force without further payment of premiums; these are called Limited Payment Whole Life policies. For example, a Whole Life policy limited to 20 annual premiums is one under which the office contracts to pay the sum assured whenever death occurs; while the policyholder contracts to pay premiums for twenty years, or until death if he dies within 20 years.

TERM—A term policy, as its name implies, continues only for a term of years, often 3, 5, 7, 10 or 20 years. The office contracts to pay the sum assured if death occurs during the term, but at the end of the term its risk ceases. The policyholder pays premiums annually during the term, or until death if he dies within the term.

ENDOWMENT ASSURANCE—Under an endowment assurance, the policyholder pays premiums for 5, 10, 15, 20, 25 or 30 years, depending on the term of the endowment; if he dies during the term, the premiums thereupon cease. The office, on the other hand, undertakes to pay the sum assured on the death of the policyholder if he dies within the term, or at the end of the endowment term if he is then living. For example, in the case

of a 30-Year Endowment, the insured would pay premiums for not more than 30 years; the office would pay the sum assured either at the end of the 30 years, if the policyholder was then alive, or at the policyholder's death if he died within 30 years.

Most office's prospectuses also contain pure Endowment and Annuity tables; but there is no life cover in these contracts.

WHOLE LIFE

For those who insure at advanced ages, say over 50, the Whole Life is usually the best plan. There is a rapid increase in the rate of mortality after age 50, and on most other plans than Whole Life the premiums at the higher ages are so large as to be virtually prohibitive.

As a rule, the Whole Life is not a good plan upon which to canvass young men. The premiums are low, it is true, but a young man in good health is not often favourably impressed by a plan which requires payment of premiums throughout life, perhaps for fifty or sixty years. Proposers of this class are more strongly attracted by the limited payment plans, under which the assured has a guarantee that he will be called upon to pay only a definite sum and a definite number of premiums, no matter how long he lives.

Nevertheless, there are exceptions to every rule, and where a young man wishes to obtain insurance at the lowest possible cost, it is sometimes advisable for the agent to offer the normal Whole Life plan. For example, at age twenty the annual premium for a £1,000 policy is £19. This is very cheap insurance, and it will be seen that the assured must live to pay at least 53 premiums before his payments equal the face value of his policy. But we must also take into account the bonus on the policy, which would in 53 years probably increase the policy to about double its original amount; or, if applied in reduction of premiums, would in time more than suffice to wipe out the remaining premiums on the policy.

In most offices Whole Life and Endowment Assurances can be obtained "With Profits" or "Without Profits." In the former, the assured pays a larger

premium to secure the right to share in the profits of the office (see below). Normally this extra payment is well worth while.

Without Profit contracts are all right in certain cases; for instance, where a man is taking out insurance for business purposes. Such a policy is usually wanted at the lowest annual cost.

The following table shows the rate of premium at age 30, for a £1,000 policy under the whole life "with profits" plan, as compared with other common forms:

WITH PROFITS		WITHOUT PROFITS	
Whole Life	£24	Whole Life	£17
20 Payment Life ...	36	20 Payment Life .	27
25 Payment Life ...	31	25 Payment Life .	24
20 Year Endowment	52	20 Year Endowment	43
25 Year Endowment	41	25 Year Endowment	33
30 Year Endowment	34	30 Year Endowment	26

These rates are about the average usually charged.

There is another aspect that is worth noting. From the policyholder's standpoint the amount *for which he is insured* is equal in any year to the difference between the amount of the policy and the premiums he has paid. For instance, if a man has a £1,000 policy, under which he has paid £100 in premiums, the net amount of indemnity which his family stands to realise, if his death occurs in that year, is £900. On this basis the amount of net insurance afforded by the ordinary life policy is for many years in excess of that obtainable under other policies; thus, at age 30:

Difference between Amount of Policy and Total Premiums Paid

	Ord. Life.	10 Pay. Life.	20 Pay. Life.	15 Yr. Endt.	20 Yr. Endt.	25 Yr. Endt.
Premium	£24	£52	£33	£67	£49	£40
1 year ...	975	947	966	932	950	960
3 years ...	927	842	900	707	851	880
5 years ...	878	737	833	663	753	800
7 years ...	830	631	767	528	654	720
10 years ...	757	474	667	326	506	600
15 years ...	636	474	501	...	259	400
20 years ...	515	474	335	...	12	201

These figures are approximate.

The objection most frequently urged against the Whole Life policy is that, according to the terms of the contract, the premiums are to continue during the life of the assured. That is naturally a drawback in the eyes of many people. But, on the other hand, in a good office the profits should always be sufficiently large to overcome this objection.

WHOLE LIFE LIMITED PAYMENT POLICY

In the United States and Canada the whole life policy premiums limited to 20 annual payments is the most popular plan of insurance. In the opinion of many people endowment assurances are too expensive. Others object to the whole life policy because the premiums continue as long as the assured lives. The "20 Payment Life plan," with its moderate premium, limited to 20 years only, is not open to either of these objections. The young or middle-aged man prefers the 20 Payment policy because the premiums are payable during the wage-earning period of his life, so that the insurance will be fully paid for by the time he wishes to cease from active labour.

As the premiums are limited to 20 years, the amount payable by the office in event of death will always be larger than the total amount paid in premiums by the assured. For example, a person who insures for £1,000 at age 20, annual premium £30, will never have to pay more than £600 in premiums; so that in the event of his death his family receives back at least £400 more than the actual cost of the insurance—in addition to the profits (or bonuses) added to the policy.

At the end of 20 years the original policy becomes fully paid up. There will be no further premiums to pay, and the policyholder remains insured for the full amount of the policy. The insurance protection costs him nothing; the policy is always worth £1,000 in the event of his death; he can borrow money on it at any time; and, moreover, the reserve is constantly increasing,

so that the assured can surrender the policy at any time for a larger sum than he could have obtained a year before. In addition, the policy still continues to earn profits or bonus.

Of course, if the assured prefers, he can surrender his policy instead of continuing it at the end of the 20 years. In that case the office would pay him the surrender value of the policy and bonuses, which would ordinarily be about £620, so that the policyholder, who paid £600 for his insurance, gets back altogether £620, in addition to insurance protection for twenty years. In other words, he has enjoyed insurance protection of £1,000 for twenty years *free*, and in addition gets back about £20 more than he paid in. These figures are approximate and depend on the amount of bonus.

ENDOWMENT ASSURANCE

Endowment assurance is more expensive than the corresponding life plans, but it possesses advantages which, in the opinion of many people, more than outweigh the extra cost. In the case of all-life plans, PROTECTION is and always will be the outstanding feature. Endowment assurances combine this with another element—that of INVESTMENT. Accordingly, there are numerous cases in which an agent can talk endowment insurance with much greater effect than whole life insurance, and in this connection we may note:

(1) That the endowment assurance furnishes a very good answer to the man who objects to insurance upon the ground that "you have to die to win."

(2) An endowment assurance, by reason of its investment feature, frequently appeals to a man whom the agent could never hope to interest in the protection features of a whole life policy.

(3) An endowment assurance is adapted to the requirements of the man who needs insurance but only

for a limited period, and who wishes to be able to show his invested capital intact if he survives the period.

(4) An endowment assurance is manifestly a suitable policy for teachers, clergymen, nurses and others whose occupations do not bring them into touch with the world of business, and who have consequently only limited opportunities for obtaining good investments for their savings.

(5) An endowment assurance is plainly *not* an " old man's policy " unless it is a short term endowment. Neither is it " a poor man's policy."

(6) An endowment assurance is frequently selected by people who want some form of investment which will *make them save* their money.

(7) Not infrequently a firm or corporation insures the life of its manager or some other officer whose expert knowledge or experience makes him of particular value to the business. This is a form of insurance which is becoming more common. In such a case, an endowment assurance is the most suitable plan to recommend. The premiums paid under such a policy can be regarded as a sinking fund and carried to a special account, which will be practically balanced when the policy matures at the end of the endowment period.

The most commonly selected "all-round" endowment assurance is the 20-year endowment. Long term endowments (*e.g.*, for 25 to 30 years) are very suitable plans for young men, inasmuch as they afford the necessary insurance protection for a lengthy period at comparatively low rates, and provide a fund which falls in at a very convenient time as a provision for old age. A very striking illustration of the merits of such a policy can be afforded by making out a schedule in some such form as the following. These figures apply to a £10,000 policy on the 30-year endowment participating plan, taken out at age 20, annual premium £314:

If Assured's Death Occurs in	Total Premiums Paid	The Office Will Pay	Gain to Assured's Estate
1st year.	£314	£10,000	£9,686
2nd year.	628	10,000	9,372
3rd year.	942	10,000	9,058
4th year.	1,256	10,000	8,744
5th year.	1,570	10,000	8,430
6th year.	1,884	10,000	8,116
7th year.	2,198	10,000	7,802
8th year.	2,512	10,000	7,488
9th year.	2,826	10,000	7,174
10th year.	3,140	10,000	6,860
11th year.	3,454	10,000	6,546
12th year.	3,768	10,000	6,232
13th year.	4,082	10,000	5,918
14th year.	4,396	10,000	5,604
15th year.	4,710	10,000	5,290
16th year.	5,024	10,000	4,976
17th year.	5,338	10,000	4,662
18th year.	5,652	10,000	4,348
19th year.	5,966	10,000	4,034
20th year.	6,280	10,000	3,720
21st year.	6,594	10,000	3,406
22nd year.	6,908	10,000	3,092
23rd year.	7,222	10,000	2,778
24th year.	7,536	10,000	2,464
25th year.	7,850	10,000	2,150
26th year.	8,164	10,000	1,836
27th year.	8,478	10,000	1,522
28th year.	8,792	10,000	1,208
29th year.	9,106	10,000	894
30th year.	9,420	10,000	580

The figures can be divided by 10 for a £1,000 policy and by 100 for a £100 policy. They are approximate.

The schedule shows that, no matter at what time the death of the assured occurs, the amount which the office guarantees to pay is in excess of the premiums

paid by the assured; while, if the assured survives the 30 years, the whole £10,000 becomes payable at once. This computation takes no account of profits or bonus, which the agent can illustrate by reference to the actual bonus of his office, and which in the course of 30 years would amount to a very considerable sum.

We may remark in passing that the above method of illustrating the benefits of an insurance policy is one which can be very usefully employed in canvassing almost any kind of life policy. The great advantage of the method is that it sets before your client in undeniable figures and in very striking form *the fact* that the payments guaranteed by the office are greater than the payments contracted for by the assured. The schedule may appear to involve a good deal of arithmetical labour; but it is really very easy to construct. In column 2 each successive amount is found by adding the premium to the amount immediately above it. This process of addition can be facilitated by writing the premium on a narrow strip of paper and shifting the slip with each successive addition so that the premium always appears above the amount to which it is to be added. Column 4 is similarly constructed, except that you begin at the bottom and work upwards.

TERM INSURANCE

Term policies are not so popular as life and endowment policies for several reasons:

(1) They carry no surrender values.

(2) They are not usually issued with profits.

(3) The insurance ceases absolutely at the end of the term, and cannot be renewed except on payment of a higher premium and passing a new medical examination.

(4) The money invested is never returned except in the event of the assured's death during the term. In this respect a term policy resembles a fire insurance policy.

However, term policies have their uses. An alert agent can sometimes place a term policy with a business

man, manufacturer, etc., who would have nothing to do with a more expensive plan. Its very cheapness attracts him. He does not regard the transaction as a loss if he lives to the end of the term, for he has had the insurance protection in return for his premiums. And he has the satisfaction of knowing that his insurance is being obtained at the lowest possible cost, leaving him to use the balance of his income for other purposes.

Term policies are very frequently taken out for business purposes. Circumstances sometimes arise where the death of a partner, a manager, a capitalist, etc., would result very disastrously to the undertaking. It then becomes of importance, in the interests of the business, to have a policy effected on the life of the person in question. The necessity for the insurance may no longer exist in, say, ten years' time. The policy that naturally suggests itself is, therefore, a 10 Year Term for a £10,000 policy; the annual premium is £111 on a 10 Year Term as compared with:

(a) Annual premium of £176 for Whole Life without profits;
(b) Annual premium of £218 for Whole Life with profits;
(c) Annual premium of £252 for 20 Payment Whole Life without profits;
(d) Annual premium of £306 for 20 Payment Life with profits;
(e) Annual premium of £486 for 20 Year Endowment Assurance with profits;
(f) Annual premium of £667 for 15 Year Endowment Assurance with profits.

It frequently happens that a man who really needs insurance protection cannot afford to pay the premium on a whole life or endowment assurance. It may be possible for him, however, to take a special term policy with its much lower premium which will furnish him with the insurance protection in the meantime; and later, when his finances improve, he may be able to have it changed to a life or endowment policy. If the idea of this special term policy had not occurred to him, he

would have had to go without the insurance altogether until he could afford to select a more expensive plan or else it would have been necessary for him to content himself with a much smaller insurance than he really required. The term policy gives him all the insurance he needs *at once,* and the option of changing **without medical examination** to another plan as soon as he is in a position to afford it. The premium is somewhat higher than that for the usual term policy.

ANNUITIES

Many opportunities in the way of annuity applications are probably missed by agents, on account of the fact that their attention has been mainly directed towards insurance, and they have not been trained to look for annuity business.

A life annuity, especially at advanced ages, yields very large returns on the purchase price.

An annuity is especially useful:

1. For old people who have no relatives or friends to whom their money might be left. No other investment can possibly be secured to yield them so comfortable a return. Take, for example, a man aged 70 who has saved £5,000 in cash and must rely on that sum to support him during the remainder of his life. If he invests the money in gilt-edged securities, the interest will amount to only £150 a year. But if he uses the money to purchase a life annuity he can obtain *an absolutely safe and certain income of £590 per annum for the rest of his life and have no trouble in looking after the investment either.*

2. The annuity form of investment is also most suitable in cases where a person desires to make some sure and certain yearly provision for a dependant, *e.g.*, a father or mother, a sister, an invalid.

3. Sometimes executors or trustees are directed in the will, marriage settlement, etc., under which they act to make a provision for specified persons for life. An annuity will fit such cases exactly. The trustees are freed from the trouble and anxiety of looking after investments and paying over the income.

Miscellaneous

MORTALITY TABLES

Mortality tables are the instruments by means of which are measured the probabilities of life and the probabilities of death. In its simplest form a mortality table is a column of figures showing how many out of one hundred thousand people of equal age coming under observation may be expected to survive from year to year. The life of man (the individual) is proverbially uncertain; but long experience and observation have shown that among large groups of persons of corresponding ages the number dying from year to year is strikingly uniform. The hundreds of mortality tables that have been prepared by actuaries during the last couple of centuries all exhibit the same general law of mortality, with only those minor variations which might naturally be expected to result from differences in nationality, climate, social conditions, etc. And therefore it is possible, by means of these mortality tables, for insurance offices to measure the probabilities of life and the probabilities of death at all ages and among all classes with sufficient accuracy for practical purposes.

Leaving out of consideration the numerous mortality tables which have had their day and are now only of historical interest, we may refer to the tables which are principally used:—

INSTITUTE OF ACTUARIES TABLES—These tables were prepared under the supervision of the Institute of Actuaries of Great Britain, the observations covering about 160,000 lives insured in 20 British Offices which contributed their experience from beginning of business to the end of the year 1863. The principal one of these tables is that commonly known as the H.M. (Healthy Males).

BRITISH OFFICES LIFE TABLES—Practically all the leading British offices contributed their experience for the years 1863 to 1893 and the number of lives under obser-

vation was about 1,037,000. The work took nearly ten years to complete. The most important of the numerous tables which we owe to this undertaking is the O.M. Experience (male lives insured under ordinary life policies). In Great Britain the tables are being extensively used.

New Tables—These were issued in 1934 and a note on them appears on p. 188.

MUTUAL AND PROPRIETORY OFFICES

A mutual office is one which has no shareholders. The funds and all profits belong to the policyholders alone.

A proprietory company has shareholders, who have subscribed and paid in money to the company as capital, and are entitled to dividends on that capital.

Different companies have different methods of apportioning the surplus between shareholders and policyholders. A very common method is as follows: The shareholders are entitled to one-tenth of the profits; while the with profit policyholders are entitled to the remaining nine-tenths.

It is impossible to say flatly that either system is superior to the other. Both have their advantages, and numerous offices have been conducted upon each plan successfully and with good results to policyholders.

RESERVES

The cost of insurance is not uniform at all ages, because the rate of mortality increases from age to age. Therefore, if it is desired to charge a premium that will remain level throughout life, it is necessary to fix upon a premium that will more than cover the risk during the early years of the insurance. That portion of the premium paid from year to year which is not required to meet the cost of insurance for the current year is laid aside in order that it may be available later on, when the rate of mortality has so much increased that

the yearly premium is insufficient to pay the yearly cost of insurance. The fund thus accumulated is called the "reserve." The reserve on any policy may therefore be said to be equal to the total premiums paid upon that policy with interest, after deducting that policy's share of the death losses.

Another way of looking at this matter is this: The reserve upon a policy at any given time is the sum which added to future premiums with interest will, on the average, be exactly sufficient to pay the amount of the policy when it becomes a claim.

The exact amount of the reserve depends upon the mortality table used and the rate of interest assumed in the calculations. All mortality tables present the same general features, but no two of them are exactly the same. Consequently, the particular table employed in computing the reserve will make some difference. A far more important factor, however, is the rate of interest assumed, and a difference of 1% or even ½% means a big change in the reserve.

People are sometimes puzzled by the fact that an increase in the rate of interest employed means a decrease in the amount of the reserve, and *vice versa*. For example, a 3% reserve is larger than a 3½% reserve. The reason for this is that if the actuary can assume 3½% as the rate of interest that is going to be earned on the reserves, the office can get along with a smaller reserve than that which would be required if one could only count on earning 3%.

NET PREMIUMS AND GROSS PREMIUMS

The net premium under a policy is the sum which would be exactly sufficient, on the average, to pay the amount of the policy when it falls due, if (a) there were no expenses, and (b) the rate of mortality were *exactly* the same as that shown by the Mortality Table used in the computation.

Of course, in practice, the mortality actually experienced always varies more or less from that assumed in the calculations, and a certain "loading" must be

added to the net premium to cover such fluctuations in the death loss. Then, too, there must be an additional loading to cover expenses. In case of with profit policies, there is a third loading for bonus. The net premium, plus the total loading thereon, gives us the gross premium.

WITHOUT PROFITS AND WITH PROFITS

A without profits policy is a policy of guarantees. The assured pays a fixed premium and the office agrees to pay him a fixed amount at his death (or, in the case of an endowment policy, at the end of the endowment period if he is then alive).

The premium upon a with profits policy is larger than the premium upon a without profits policy; and, in consideration of this increased premium, the office agrees to let the assured share in the life profits of the office.

These profits may be allotted to the assured every year, in which case there is said to be an "annual distribution of profits," or an "annual bonus." Or the terms of the policy may require a "quinquennial distribution of profits," *i.e.*, every five years. Under other policies the surplus is accumulated for ten, fifteen or twenty years and then allotted to the assured if he is then alive. There are also other schemes.

The profit is usually distributed in the form of an addition to the sum assured; instead of cash, the assured gets a free addition to the amount of his policy. Thus, suppose £4 to be the amount of the cash surplus to which the assured is entitled under a £1,000 policy, the office would give him, instead of the cash, paid-up additional insurance to the amount of (say) £10. He would be henceforth insured for £1,010, although paying premiums on only the original £1,000—and so on, each year (or period). At any time the assured can surrender this reversionary bonus for its cash value.

SOURCES OF SURPLUS

As previously explained, the difference between the actual cost of insurance to the office and the premiums

paid by the assured produces the surplus out of which bonuses are paid to the policyholders. Surplus is derived principally from the followingly sources:—

1. Loading Surplus—We have already pointed out that the gross premium paid by the assured contains a "loading" as a provision for expenses. If it turns out that the loading which was provided is larger than the actual expenses of the office there is a surplus from this source.

2. Excess Interest Surplus—The premiums and reserves are based upon an assumed rate of interest which is always somewhat less than the rate of interest which the office is actually earning, or in order to leave a margin on the safe side. Suppose that a certain office assumes 3% as the rate which it must earn upon its funds. Then if the office actually earns $4\frac{1}{2}$% in any year, it is evident that there will be a gain from excess interest of $1\frac{1}{2}$% on the invested funds. This is the chief source of surplus.

3. Surplus from Favourable Mortality—In computing premiums and reserves, a rate of mortality based upon a standard Mortality Table is assumed. It is customary for life assurance offices to compare their *actual* mortality experienced from year to year with *the expected mortality*, according to the standard table. The actual mortality will never be exactly the same as that exhibited by the standard table—there will always be some difference between the *actual* and *expected* mortality. If the former is less than the latter, then there will be a surplus arising from favourable mortality.

4. Gain on Investments—An office may make a profit on its investments, through disposing of securities at a price higher than that paid for them.

5. Lapsed Policies—When a policyholder drops his policy within the first few years, he is not entitled to any surrender value, and any value that the policy may possess is added to the general surplus of the office. As a matter of fact, however, this source of supply is not nearly so important as is often believed (especially

by people outside the insurance business), because, on account of the large initial expense connected with a policy, the office never makes much money on a lapsed policy and more frequently loses money.

6. SURRENDERED POLICIES—When a policyholder terminates his contract with the company by surrendering his policy, he very seldom receives the full reserve value. A deduction is generally made from the reserve for the protection of the office against a too-general exercise of this right of surrender by its policyholders. There is, accordingly, a small surplus which accrues to the office from this source.

THE PROPOSAL

The proposal for insurance is the basis of, and forms part of the contract; therefore, it is important that it should be correctly filled up.

See that *every* question is answered, and answered fully.

Make sure that the age of the applicant is correctly stated. If the date of birth and age both require to be stated, see that they agree with each other, and with the amount of the premium.

All alterations should be initialled by the proposer.

POLICY PROVISIONS

Under this heading we deal with the various provisions and privileges that are usually inserted in policies. The variations of these clauses in the policies of different offices are endless; but their general tenor is more or less the same.

RESIDENCE AND TRAVEL—Very commonly, there are no restrictions upon residence or travel, if the assured is residing in a healthy climate at the time when the policy is taken out, and has no immediate intention of doing otherwise. Other offices, however, restrict residence in certain latitudes or unhealthy climates unless with a permit from the office and on payment of an extra premium.

OCCUPATION—Extra premiums are also charged to professional aviators, persons engaged in the sale of intoxicants, members of H.M. Forces in time of war, and the like.

GRACE—Almost all offices allow thirty days' or one month's grace for payment of premiums. The policy does not lapse if payment is made within the days of grace, and if the assured's death occurs during that time and before the premium is paid, the office will pay the claim, deducting the premium then due.

REVIVAL—The usual clause regarding revival is to the effect that "should any premium remain unpaid beyond the month's grace, the policy becomes void, but it may be revived within twelve months (or two years) thereafter on production of evidence satisfactory to the company of continued good health and insurability, and the payment of overdue premiums with interest."

INDISPUTABILITY—The usual clause is to the effect that the policy will be indisputable after two years from the date of issue (except in case of actual fraud) if the premiums shall have been duly paid and the age admitted. Some offices make the period one year instead of two, and others have gone so far as to make their policies incontestable from date of issue. Fraud, however, vitiates all contracts.

The chief importance of the clause is that it protects policyholders from the effect of their innocent and unintentional omissions or mis-statements.

CASH SURRENDER VALUES—There is not usually a cash surrender value attached to a policy until after two or three years' premiums have been paid.

The cash surrender value is generally a percentage of the reserve.

The chief reason for not allowing the full reserve is that policyholders who surrender or lapse their policies exercise a selection against the office. That is, those who withdraw are generally the healthiest risks, who are sure of being able to get insurance elsewhere; if a man knows himself to be a poor risk, he is not likely to

drop his insurance. It is probable, therefore, that when policyholders claim their cash surrender values and withdraw, the standard of the office's risks from a health standpoint is lowered; because the good risks go out while the poor ones stay.

PAID-UP OR FREE POLICIES—The retiring policyholder is generally given the option of taking his surrender value in paid-up insurance instead of in cash.

The amount of paid-up insurance which most offices will grant under a limited payment life policy or endowment assurance is the same proportion of the sum assured as the number of premiums actually paid bears to the total number of premiums payable under the policy. For example, if a 20 payment life policy for £1,000 is surrendered after payment of five annual premiums, the amount of paid-up insurance to which the assured would be entitled is 5-20ths of £1,000, or £250 (a free policy, payable at the death of the assured). If the policy in question had been a 30 year endowment assurance, the amount of the paid-up policy would have been 5-30ths of £1,000, or £166.66 (a free policy, payable at the death of the assured, or at the end of 30 years). In the case of the usual whole life policy, the amount of paid-up insurance can only be determined by an actuarial calculation.

LOAN VALUES—The loan value in any year is very frequently the same as the cash surrender value, with a year's interest deducted in advance. The procedure necessary to obtain a loan on a policy is very simple. The office will, on application, furnish the policyholder with a "loan agreement," which he has to sign and return together with his policy. If the agreement is properly executed, the company will then pay to the policyholder the amount of the loan to which he is entitled; its sole security being the policy which the assured leaves on deposit. The rate of interest charged on policy loans is usually about five per cent., the interest being payable on the same dates as the premiums under the policy. There is generally a provision in the loan agreement to the effect that if the assured fails to pay interest, so that the loan and the interest due thereon

become equal to or greater than the cash surrender value, the policy shall be considered as surrendered to the office.

When a loan is paid off, the office simply returns the policy and loan agreement to the assured, with a receipt for the money, and the contract is on the same footing as before.

The loan provision is a very popular one, and some policyholders probably take advantage of it more frequently than is advisable in their own interests. The policy becomes loaded up with debt and, in the end, is dropped. For this reason, the agent should never suggest the idea of a loan to one of his clients, or encourage it in any way, unless he believes it to be necessary. His experience will tell him that it is hard enough to induce some people to keep up their policies when they have only the premiums to pay; and that it becomes doubly hard when those premiums are augmented by interest.

Automatic Non-Forfeiture—This is a provision which has become very popular of recent years. Different offices print the provision in their policies with various differences, but the effect of the clause is usually as follows: If a policy has been in force sufficiently long to be entitled to a surrender value, and if the assured fails to pay a premium which has fallen due, the office will advance him that premium *as a loan* provided that the overdue premium is not greater than the cash surrender value. Some offices extend the policy until the surrender value is exhausted. Others extend the policy for one year only and hold the remaining surrender value at the assured's disposal.

The policyholder has the privilege of paying off the amount which the office has advanced to him under this non-forfeiture provision. The rate of interest charged by the office on *automatic* loans is generally a little higher than that charged on ordinary policy loans.

The automatic non-forfeiture provision is a good "talking point" for the agent. Its chief beauty, of course, is that it relieves the assured from the fear of his policy lapsing at any time through forgetfulness, illness, etc.

Miscellaneous Provisions — Ordinary branch policies can be assigned, either absolutely or by way of mortgage. Notice of the assignment should be given to the office. The purpose of this provision is to protect the office when paying the sum assured; an assignee who has not given notice of the assignment has no claim against the office, if the office has already in good faith paid the sum assured to some other.

There is usually a clause providing that if the assured's age is found to have been understated, the amount payable under the policy shall be such as the premium would have purchased at the correct age.

Another clause which is of importance to agents is that which provides that the policy cannot be varied except by writing under the hand of the office. No agent has authority to make any changes in the policy, and should not undertake to do so even when his object is simply to remedy an obvious clerical error. If the policy requires to be altered, it should be returned to head office.

IMPAIRED RISKS

In dealing with risks which, while not absolutely uninsurable, are so much below the average that it would be unfair to insure them at the ordinary rates, various methods are adopted, depending upon the nature of the impairment.

Take first the case of a risk belonging to a class whose mortality in early life is usually normal but which may be expected to exhibit a super-normal mortality in later years. For example, overweights belong to this class; they show an extra mortality which occurs mainly after middle life. Therefore, a young man of, say, 20 or 25 who is a good deal overweight but is otherwise a fairly good life might be taken on a 20 year endowment at ordinary rates. The risk to the company during the first 20 years would not be much, if any, above the normal; after age 45 or 50, there would be more danger from apoplexy, heart disease and other troubles that overweights are prone to develop—but by that time the endowment would have matured and the office would be off the risk.

Similarly, if a man applied for a 20 payment life policy, and the medical examination disclosed the fact that he was suffering from some form of heart disease, not immediately dangerous, the medical referee might decide that the defective origin was good for 12 or 15 years at least, and he would probably offer a 10 or 15 year endowment policy.

The class of risk described in the last paragraph is one which increases with age. There is another class in which the extra hazard decreases with age. Where there is a family history of consumption, the risk often comes within this latter class. The largest proportion of deaths from consumption occur before middle age. Accordingly, when the extra hazard is connected with this cause, a lien is often imposed, decreasing by a fixed amount every year. For example, take the case of a £1,000 policy, subject to a lien of £800 reducible by £40 per annum. If the insured died in the first year the amount payable would be £200; in the second year £240; in the third year £280; and so on, until after 20 years the lien runs off, and the sum assured is the full £1,000.

A third way of dealing with special risks is by means of an extra premium or—what amounts to the same thing—rating the life up a certain number of years and charging the premium applicable at the increased age.

MEDICAL SELECTION BY AGENTS

It is not expected by any office that its agents will do duty as a kind of second corps of medical examiners, and make their clients run the gauntlet of a long series of questions as to insurability before they will condescend to canvass them for insurance. The chief business of the field-worker is to secure proposals. At the same time, he *is* expected to exercise discretion as to the class of risks, and, indeed, it is in his own interest to do so. Rejected proposals mean a loss of time and effort to the agent—a loss that could be avoided in the majority of cases if the agent would take the trouble to obtain a little information about the applicant's personal and family history. It may be worth while, therefore,

to refer briefly to a number of points which will enable the agent who holds them in mind to keep the number of his declined cases down to the minimum.

1. Previous Declinations—It is easy for the agent to ascertain, by means of a casual question slipped in during the course of his canvass, whether his prospect has been previously declined or liened by any other office. If he has, then it is hardly worth the agent's while to proceed further with the case, until he has submitted the matter to the head office and obtained their advice.

2. Personal Appearance—The proposer's personal appearance is to a certain extent a clue to his health. One thing in particular should be emphasised here, as the importance of its relation to the proposer's insurability is frequently overlooked, *i.e.*, his weight, taken into consideration with his age and height. On page 186 we furnish a table which gives the normal weight for male lives according to age and height. There are similar tables in existence but they do not vary greatly.

A variation of over 20 per cent. either way is a feature to be regarded with suspicion. Take first the case of overweights, who are responsible for heavy losses in every office, in spite of the care that is always exercised in scrutinising this class of risks. These lives are particularly liable to develop heart and kidney disease, apoplexy and premature hardening of the blood vessels; they succumb easily to accidents and surgical operations. The danger is enhanced if (as is frequently the case) they use alcohol to any extent.

Of course, there are exceptions to the general statements made above. A thick-set, hard, muscular, big-boned man with good family history, temperate habits, and a chest measurement exceeding that of his waist may safely be allowed a larger margin than would be accorded to another risk less favourably endowed in other respects.

Underweights are also poor risks *as a rule*, chiefly because underweight is so frequently an evidence of some tubercular trouble. Then, too, underweight often goes with a nervous temperament, and hence these risks

wear out more quickly than men of ordinary build. Medical examiners are particularly suspicious of this feature of underweight, when it is accompanied by a family history with one or more cases of consumption or other lung trouble.

3. HABITS—By the habits of the applicant we mean his general mode of living, his opportunities for exercise, and his practice in regard to intoxicating liquors. It is the last of these which demands special attention. Insurance offices never knowingly accept a man who is intemperate. "Intemperance is perhaps the most formidable enemy to the safe assurance of life."* The agent can do a great deal to safeguard the interests of his office by keeping that point in mind. Not only must the present habits be taken into consideration, but also the past habits. It is seldom that we find a past drunkard who does not at some later date again break out into intemperance. Reclaimed drunkards are not desirable risks.

4. PERSONAL HISTORY—By personal history, we mean the past record of a man's life as to illness, accidents, etc. Various diseases are particularly liable to disqualify for life insurance. The list generally includes such diseases as the following: Gout, fits, chronic hoarseness or cough, spitting of blood, heart or kidney disease, rheumatism, lung trouble of any kind, insanity and asthma.

5. FAMILY HISTORY—The importance of family history in its relation to the eligibility of a life for insurance can scarcely be overestimated. Whether certain diseases are hereditary or whether the tendency thereto is hereditary, or whether it is only the susceptibility to those diseases that is hereditary, are questions which we may leave to doctors to quarrel about. But at any rate, whatever be the cause, this fact is clear; that certain diseases occur more frequently in some families than others, and that the circumstance has a very important bearing on the selection of the risks of a life insurance office.

*Dr. J. E. Pollock, in his Medical Handbook of Life Assurance.

Among the diseases which are generally agreed to be hereditary (using the word in its broadest sense) are the following: Cancer, gout, insanity, epilepsy, apoplexy and consumption. Rheumatism, heart disease, and some others might probably be added to the list.

With two or more cases of any one of these diseases in the family history—especially if the applicant himself is not an A1 risk—the medical referee is very apt to take an unfavourable view of the proposal.

Consumption is undoubtedly *the* disease of those mentioned above most dreaded by insurance offices. The medical officer usually scans with suspicion every proposer shown to have been related to or associated with a case of consumption; and when there are two or more cases of consumption in the family, or the proposer himself is underweight, the chances of a favourable decision are still further lessened.

6. Miscellaneous—The rules of different offices as to uninsurable and dangerous occupations, acceptance of female lives, and other matters relating to more or less desirable risks, are usually furnished to the field-staff.

WHEN A LIEN OR EXTRA PREMIUM IS IMPOSED

When a lien or extra premium is imposed by the office, the agent generally experiences considerable difficulty in collecting the first premium. This is not always the case, however, and the agent whose client is liened or rated up should always make a resolute effort to get him to accept the policy. It sometimes happens that the very fact of his failure to pass the medical examination has the effect of making the candidate more than ever anxious to obtain insurance. A client may have been lukewarm on the subject when the agent was making the canvass, but if the medical examination discloses the fact that he has an intermittent heart or some other trouble, it may serve to awaken him to

the importance of obtaining insurance even on less favourable terms. If the agent is tactful and persistent, the unfavourable action of the head office need not mean the loss of a policy.

The cases where an extra premium is imposed are, of course, the most difficult to deal with. There is a straight addition to the annual cost of the insurance—a fact which cannot be explained away or got around by any amount of talking. The best course is probably to refer the increased premium to the equivalent rated up age. Thus, if a man aged 20 is accepted on 20 payment life plan, subject to an extra premium of £5 per £1,000 assured, he will have to pay £32 per annum instead of £27, the quoted premium at age 20. But £32 is rather less than the premium corresponding to age 29. So that our client, although he has to pay more for his policy than he expected to pay, is still getting his insurance on cheaper terms than thousands of other men a few years older who are in perfect health and have A1 family histories.

Where a lien is imposed the agent must adopt a different line of argument. The assured has no extra premium to pay, and if he survives the term of the lien (10, 15 or 20 years) his policy is in the same position as if no lien had ever existed. At the end of that time, the insurance will be for exactly the same amount and of the same value in every respect as that of a first-class life. An arrangement of this kind has the advantage of being perfectly equitable both to the office and to the insured. From the standpoint of the office, the position is this: Here is a proposer whose personal or family record contains features which are unfavourable. Medical statistics show that risks which exhibit these features are *on the average* not satisfactory; some of these risks, owing to various reasons, may turn out all right, but *on the average* this class of risks shows unfavourable results, and lives coming within this class cannot therefore be accepted on ordinary terms.

From the standpoint of the proposer, the case bears a different aspect; he may think that his chances of life are equal to those of the majority of lives of his

age. Here the fairness of the method shows itself. The office says: "We will let the future decide which view of the case is the correct one. The lien shall be payable only by those who do not live out their expectation, while those who *do* live out their expectation, or whose death is due to accident alone, will pay nothing. Moreover, every year which the assured lives is additional evidence in support of his claim that he is a normal risk, and we recognise that fact by reducing the lien from year to year—until, if the assured outlives the term, the lien ceases altogether."

Certain classes of sub-standard lives may be safely accepted on endowment assurances, and the agent often has the task of placing an endowment under these conditions with a man who has applied for a whole life policy. His task, in such a case, is comparatively easy, because his client is not being discriminated against relatively to other lives of the same age. He is limited to an endowment assurance, it is true, but he can obtain that endowment on precisely the same terms as are offered to the finest risks. The chief difficulty, of course, is to reconcile him to paying for an endowment in place of the lower priced life plan for which he applied. Still, the agent should succeed in the majority of such cases, especially if he makes the most of the very natural alarm which will be aroused in his client's mind when he hears that his expectation of life is considered as below the average. The logical result will be to make him realise the importance of life insurance as never before, and the agent should seek to make the realisation still more vivid by repeating and emphasising the arguments which he employed successfully when the proposal was first taken. Make a man feel that he *needs* insurance and he will have it, even though it be on less favourable terms than he hoped for.

[NOTE:—The above concludes Mr. Langstaff's material, which has been revised for the present edition —the British Isles Edition. The following special material for this edition has been supplied by various experienced writers. The facts and figures are those current in December, 1936, and readers should note that

income-tax, bonus and other rates may vary from time to time. For the sake of simplicity, the figures following have usually been based on a policy for £100. In multiplying them for larger policies, readers will remember that premiums for £500 and larger policies may be at a slightly lower proportionate rate than those for policies of less than £500.]

for it. It is that the bonus may be a little less than it is at present.

The income-tax rebate is equally difficult. But we think that it, too, may be a little less than it is at present; that is, we think that the Standard Rate of Income-tax will fall.

Nevertheless, it is possible that interest rates will gradually rise; and that the expenditure on armaments, for instance, may maintain or even temporarily increase the present rate of income-tax.

Therefore, the business-seeker may not unreasonably base his estimates and comparisons on current rates, so long as he bears the above facts in mind, and makes it clear that his figures are estimates so based. However, in most of the illustrations which follow, we are using bonus and income-tax rates, which are a little lower than the current ones.

Figures in Canvassing

WHAT THE PUBLIC WANTS

GOOD PRACTICE

No man amongst us would enter upon a contract running into three figures without wanting to know how it was likely to result. Testing the question on ourselves, therefore, it is clear that the public wants certain figures or statistical information about the insurance policies which it is asked to buy.

But it does not want too many figures. Speaking in general terms, the bare minimum is best. Yet, what is sufficient for one man is insufficient for another. We have to suit each set of circumstances.

That being so, it is not possible to give ideal financial statements, universally applicable. Nevertheless, some statements can be given to serve, if not as models, then as suggestions; and even the youngest agent can expand or reduce them in accordance with his needs in a particular case—as we shall show. We advise every man seeking Ordinary branch new business to get out a financial statement for each prospect.

Even if a prospect is so " poor at figures " as to be unable to follow the financial statement, the figures will be useful to the agent whilst canvassing, and he can show the last three lines of the statement. It will be a very dull prospect who cannot follow the statement of the amount drawn out and the amount paid in, with the resultant profit.

THE FIFTEEN YEAR ENDOWMENT ASSURANCE

Where the prospect is not liable to income-tax, the financial statement can be of a very simple character. Thus, taking a young man or woman, aged 18 next birthday, the following figures of a well-known office

would cover a £100 with-profits fifteen year endowment assurance:—

Amount drawn out at end of term—£100, plus 15 years' bonus at 38s.	£128 10 0
Amount paid in—15 years' premiums at £6 18s.	103 10 0
Profit to policyholder	£25 0 0

This is a very attractive result—the premiums saved with safety and returned at the end of fifteen years with £25 profit. Such a profit on a total outlay of £103 10s. will satisfy any sensible and thrifty young man (or woman), and his life has been assured throughout for the benefit of his parents, or for his wife if he marries within the fifteen years.

THE TWENTY YEAR ENDOWMENT ASSURANCE

The next financial statement relates to the very popular twenty-years' endowment assurance, and, taking the figures of another well-known office, we have the following statement for age 30 next birthday at entry.

Annual premium		£5 2 4
Less income-tax at 1s. 6d.		0 7 8
Net annual cost		£4 14 8
Total cost in 20 years		£94 13 4
Amount drawn out at end of 20 years:—		
Sum assured	£100	
Plus bonus	36	136 0 0
Profit to policyholder		£41 6 8

That is a very excellent result—over £41 profit on an outlay of £94 13s. 4d., and the life assured for £100 and profits for the whole twenty years. A statement like this should sell many policies and, in fact, is doing so.

If the prospect is not liable to income-tax, then the financial statement must be modified accordingly, and can be in the simpler form of the fifteen year statement.

A THIRTY YEAR ENDOWMENT ASSURANCE

It should next be noticed that a policy for a longer term will show a greater final profit. Take a policy which is being frequently offered just now—and very wisely so—a thirty years' endowment assurance on a man aged 35 who will get, perhaps, a pension from his firm and the contributory pension at age 65. Quoting actual figures we have the following statement:—

Annual premium		£3 10 3
Less income-tax		0 5 3
Net annual cost		£3 5 0
Total cost in 30 years		£97 10 0
Amount drawn out at end of 30 years:—		
Sum assured	£100	
Plus bonus	54	154 0 0
Profit to policyholder		£56 10 0

That, again, is a wonderful result—over £56 profit on an outlay of less than £98, and the life insured for the whole thirty years.

WHOLE LIFE ASSURANCE

But when we come to whole life assurances, we cannot make financial statements of quite so exact a character. That is obviously so: we do not know when the policy will terminate. The usual course in these circumstances is to assume that the policy will run for the " expectation of life " and then terminate. In every life insurance handbook, and in many prospectuses, there is an expectation of life table, and there is no difficulty in getting the requisite figures (see pp. 187 and 188). Furthermore, in the case of limited payment, whole life, assurances we can easily calculate the total sum paid in premiums, and the only figure " left in the air " is the exact sum to be drawn out. That latter figure is, as stated, easily arrived at if we assume that the policyholder will complete the expectation of life at his age of entry and then die.

WHOLE LIFE—PREMIUMS LIMITED TO TWENTY ANNUAL

As an illustration of a suitable financial statement on these lines and in these circumstances, we offer the following:—

Whole life assurance, with profits—premiums payable for 20 years, age at entry 40 next birthday, the expectation of life at that age being 28 years.

Annual premium		£4 6 2
Less income-tax		0 6 6
Net annual cost		£3 19 8
Total cost (20 annual payments)		£79 13 4
Amount drawn out at end of 28 years (assuming that the assured then dies):—		
Sum assured	£100 0 0	
Plus 28 years' bonuses at 36s.	50 8 0	
		150 8 0
Profit to policyholder's estate		£70 14 8

In this case the profit is £70 14s. 8d. on a total outlay of £79 13s. 4d., and the life is assured throughout the twenty-eight years from 40 to 68!

The expectation of life means that, if we take a number of men of the age of 40 next, they will live, on an average, for 28 more years. Some men will live less and some will live more than twenty-eight years. It is fair to take the average: indeed, we cannot properly make the financial statement on any other basis. But even if a particular man lives longer than the expectation it is obvious that he has, in the above policy, a really excellent contract. His premiums payments cease at the end of 20 years but his bonus additions do not cease. [Note:—The most recently published mortality table shows that the expectation of life has increased—see p. 188.]

WHOLE LIFE—PREMIUMS PAYABLE TILL DEATH

In the case of the usual whole life policy (premium payable throughout life) it is again in order to take

the expectation of life in accordance with the age at entry of the assured. In the following financial statement we take fair average or normal figures, the sum assured being £1,000 and profits, and the age at entry being 30 next birthday, at which age the expectation of life is thirty-six years.

Annual premium		£23	2	8
Less income-tax		1	14	8
Net annual cost		£21	8	0
Total cost (36 annual payments)		£770	8	0
Amount drawn out at end of 36 years (assuming that the assured then dies):—				
Sum assured	£1,000			
Plus 36 years' bonuses at £18	648			
		1,648	0	0
Profit to policyholder's estate ...		£877	12	0

This, again, is a wonderful result—£877 profit on an outlay of £770, and the life assured for £1,000 and profits from age 30 to 66.

EXPANDING THESE SIMPLE STATEMENTS

The figures which we have given are typical. Every man, whatever his office, can show similar ones, and he can multiply them by two for a policy twice as large—and so on. We have not chosen the best ages for our purpose. Neither have we made any choice in regard to the offices. The premium in the illustration for £1,000 is lower proportionately than the premium for £100, but otherwise there is nothing of a special or selected character about our figures. They are the usual ones of the business and the figures of other offices vary but slightly. Some offices give larger bonus on whole life policies than on endowment assurances, and this practice may grow. If we had taken this into account we could have shown better results for whole life assurances.

A WONDERFUL OFFER TO THE PUBLIC

During recent months many municipalities have borrowed large sums from the public at 3 per cent. interest. And the probabilities are that this " cheap money " tendency will continue. But to any income-tax payer we can issue a 15 year Endowment Assurance which will yield over 3 per cent.—and cover the risk of death as well! And the yield on our policy is *net*. The yield on the municipal loans is *gross*. That is, the investor in the loan will have to pay income-tax on his interest. The investor in our policy will not have to pay income-tax on the profit from his policy (see " The Investment Argument," pages 155 to 159 and " Gross and Net Rates of interest, page 182).

Looking at the policy as an investment alone, it is better than an investment in British Government or Municipal securities. It is better than Savings Certificates also.

The Investment Argument

A HELPFUL CANVASSING ARTICLE, IN TWO PARTS

INTRODUCTORY

There is no doubt that some " prospects " demand to know what kind of investment an insurance policy is: what advantages our offer to them gives by way of interest on their money.

The old " sentimental " appeal, the duty which a man owes to his dependants, is not dead—on the contrary, it is less doubted than ever—but the agent knows very well that if he can show that his policy is a good investment also, he is likely to get his business with less trouble and delay. Indeed, if the policy protects the dependants, and is at the same time a good investment, the " prospect " can hardly be otherwise than satisfied.

PART I.—APPLICABLE TO A MAN WHO PAYS SOME INCOME-TAX AT THE FULL STANDARD RATE

The best interest yield is shown to the man who pays some tax at 4s. 6d. in the £; and the younger the prospect the higher the yield—for the simple reason that the premium is less. [NOTE: 4s. 9d. in the £ is the standard rate of income-tax at the time of writing, December, 1936.]

Let us imagine that we are canvassing a man who pays some income-tax at 4s. 6d. If this man now invests any money, the income which it earns will have to bear tax at 4s. 6d. in the £.

You approach him and finally reach this position: He wants to draw out in his lifetime, and he wants a good, safe investment for his money. That being his firm decision, you say:—

"Mr. Jones, I can offer you a life policy which will not only insure your life for fifteen years, but will be much better as an investment than British Government or Municipal Stock, yielding 3 per cent. If you invested in such a security you would have to pay tax on the interest at 4s. 6d. in the £, as long as the rate of tax stood at that figure. A 3 per cent. stock would, therefore, yield you less than 2⅓ per cent. net. But our policy yields 3¾ per cent. net. It not only covers your life for the fifteen years, but, if you are then alive, it returns to you, at the end of that period, the whole of the premiums paid to us, with 3¾ per cent. net compound interest."

This is a remarkable statement, but I shall prove it.

THE RATE OF INTEREST

But Mr. Jones may say that the income-tax rate is likely to be reduced in the next fifteen years, and that, consequently, his net rate of interest on investments will increase.

In my opinion, he is right about a decrease in income-tax. But then there is a big difference between the 2⅓ per cent. which Government Stock will yield (net) and the 3¾ per cent. which our policy will yield. If income-tax fell to 3s. in the £, a 3 per cent. stock would yield only a little over 2½ per cent. net—or 2 2-5ths per cent. if it fell to 4s. in the £.

But Mr. Jones may make another point. He may say:—

"It is probably quite fair of you to make a comparison between your policy and a good, safe investment of the Trustee type, and I see that you can beat that type of investment. But I am a business man, and I

have special knowledge of at least one business. The result is that I can invest my money to yield more than 4 per cent. gross."

That is a fair statement. Some business men are investing their money at more than 5 per cent. It is by no means as easy as it used to be and a good many men who have tried to get 4 per cent. have suffered heavy capital losses. There is a considerable amount of risk, but, making allowances for that, we could not object to a business man who spoke as above indicated. At least, our objection would be that we were not seeking to prove that our policy was better than all types of investment, but that it covered the life and was, at the same time, a very good investment of the safe and sure kind.

However, let us meet Mr. Jones. Let us assume that the standard rate of income-tax over the next 15 years is 4s. in the £, and let us agree that he may be able to invest annual savings over the next 15 years at 4½ per cent. interest. If Mr. Jones invests £100 he gets £4 10s. dividend in one year. On that he pays 4s. in the £ income-tax, namely, 18s.—so that, *net*, he gets £3 12s. 0d., that is less than 3⅝ per cent. But our policy yields over 3¾ per cent., as I shall show.

WHAT A POLICY YIELDS

I will take a life aged 36 next, probably a useful average age for a case of this kind. The policy is a 15-year endowment assurance with profits.

For a premium of £100, Mr. Jones will get a policy for £1,450. Assuming a bonus rate of 36s. per £100 that policy will mature in 15 years for £1,841 10s. 0d.

Now, £90 per annum for fifteen years, invested in securities producing 3¾ per cent. net compound interest, will amount, at the end of fifteen years, to £1,835.

Therefore, our 15-year endowment assurance, with profits, is better as an investment than securities producing 3¾ per cent. net compound interest—which is the assertion that I set out to prove.

"But you have taken an investment of £90 a year in shares, and the insurance premium is £100," one may say.

The explanation is that the insurance premium of £100 gets the income-tax allowance of 2s. in the £, namely, 10 per cent. [at present 2s. $4\frac{1}{2}$d., but say an average of 2s. over the next fifteen years.] Mr. Jones will pay the insurance office a premium of £100, but the Government will thereupon reduce his income-tax by £10.

I have proved that our policy is better than a first-class security producing $3\frac{3}{4}$ per cent. net compound interest. But investors cannot get $3\frac{3}{4}$ per cent. net on British Government or Corporation stocks. The present yield is only 3 per cent. *gross*. Investors such as Mr. Jones would have to find a first-class security yielding very nearly 5 per cent. gross before they could equal our policy as an investment (leaving out the death cover entirely!).

PART II.—APPLICABLE TO A PERSON WHO PAYS INCOME-TAX AT ONLY ONE-THIRD THE STANDARD RATE

The investment argument for the person who pays income-tax at only 1s. 6d. in the £ is different from that which applies to the person who pays some tax at the full standard rate.

As shown in Part I, if a man who pays some tax at 4s. 6d. invests further savings in a security producing 3 per cent. interest gross, he actually receives only $2\frac{1}{3}$ per cent. net. But a person who is liable to income-tax at only 1s. 6d. in the £, investing similarly, gets practically $2\frac{3}{4}$ per cent. net, as follows:—

Gross annual interest on £100	£3	0	0
Deduct income-tax at 1s. 6d. on each £1 of income (namely 3 × 1s. 6d.)		4	6
Net rate of interest	£2	15	6

The policy yields over 3 per cent. net compound interest.

The figures are as follows:—

Annual premium	£7	0	0
Less income-tax	0	10	6
Net annual cost	£6	9	6
Policy	£100	0	0
15 years' Bonus at 36s.	27	0	0
Total drawn out	£127	0	0

But £6 9s. 6d. per annum invested at 3 per cent. net compound interest only amounts at the end of 15 years to **£124.** As the policy will then mature for **£127,** on the above assumptions, the policy is £3 better as an investment than an investment yielding £3 per cent. net compound interest.

And it insures the life also.

AQUILA.

The Income-tax Argument

UP-TO-DATE FACTS ABOUT INCOME-TAX CALCULATIONS AND THE ALLOWANCE FOR LIFE ASSURANCE PREMIUMS

[NOTE: The present (December, 1936) standard rate of income-tax is 4s. 9d. in the £, but it is liable to vary year by year and in the following we have assumed a rate of 4s. 6d.]

THE LIFE ASSURANCE ALLOWANCE

Life assurance premiums reduce the income-tax payable by the assured. Normally, under the present law *each £1 paid in premiums within certain limits reduces the income-tax payable by* 2s. 3d. But where the assured pays income-tax at 1s. 6d. in the £ only (namely, where his taxable income does not exceed £135), the reduction is 1s. 6d. for each £1 of premium; and where his taxable income exceeds £135 by only a few pounds, the reduction may be partly at 1s. 6d. The rate of this allowance varies with the rate of income-tax: the normal rule is that it is " half the standard rate of tax." The standard rate is 4s. 6d., and thus the normal allowance is 2s. 3d. in the £.

Certain people have a suspicion that when they eventually receive the claim moneys (on the maturity of the policy) they will have to pay income-tax thereon. This is entirely incorrect. It is incorrect on the basis of the income-tax law (which does not tax receipts of capital), but we have in our possession a letter from the Board of Inland Revenue, saying that such claim moneys are not liable to income-tax.

THE INCOME-TAX RULES

As stated, the present standard rate of income-tax is 4s. 6d. in the £. On incomes over £2,000 super-tax is charged.

In arriving at the amount of income-tax payable, three steps are taken:—

(i) Find the *total* income from all sources, including the wife's income;

(ii) Make a specified deduction therefrom (see below) to find the *assessable* income;

(iii) Make further specified deductions from the assessable income to find the *taxable* income.

THE RATES AND THE COMPUTATION

(i) The *total* income may be wholly earned, or wholly derived from investments, or partly "earned" and partly "investment."

(ii) From the earned income deduct one-fifth thereof (limit of deduction £300). From the investment income make no deduction unless the total income does not exceed £125. The sum then gives the *assessable* income.

Example:—

Earned income	£300
Deduct one-fifth	60
	£240
Investment income	100
Assessable income	£340

THE ALLOWANCES

(iii) From the assessable income *deduct*—

(1) £100 for a single person; or £170 for a married couple;

(2) Where the wife has an earned income four-fifths of her earned income (limit £45);

(3) The children allowance, £50 for each child;

(4) The dependent relative allowance, £25;

(5) The housekeeper allowance, £50.

The deductions (4) and (5) depend on the circumstances.

When these deductions have been made we have the *taxable* income.

Examples:—

(1) Bachelor

Assessable income		£500
Deduct for bachelor	£100	
Deduct for housekeeper	50	
		150
Taxable income		£350

(2) Married Man

Assessable income		£2,300
Deduct for married couple	£170	
Deduct for two children	100	
		270
Taxable income		£2,030

THE AMOUNT OF TAX

When the taxable income has been thus arrived at, the amount of tax payable depends on the rule following: On the first £135 of taxable income pay 1s. 6d. in the £, and on the remainder the full standard rate (4s. 6d.).

Example:—

Taxable income £300.

Tax at 1s. 6d. on	£135	£10 2 6
Tax at 4s. 6d. on	165	37 2 6
Tax payable		£47 5 0

THE LIFE ASSURANCE ABATEMENT

If the person in the last example paid £40 in life assurance premiums, within the conditions, he would have his income-tax reduced by £4 10s.—a very agreeable saving in income-tax.

The life policies on which the abatement is allowed are policies on the life of the tax-payer (male or female), and, in the case of a married man, policies on the life of his wife also. If the wife has a separate income the abatement will be allowed in respect of premiums paid by her on her life or on the life of her husband.

CONDITIONS

The following are the conditions:—

(a) No allowance will be made in respect of any annual premium beyond one-sixth of the income.

(b) No allowance will be made in respect of that portion of the annual premium which is greater than £7 for each £100 insured;

(c) No allowance will be made in respect of premiums paid for pure endowments or deferred annuities (with certain rare exceptions); and

(d) The abatement will normally be 2s. 3d. on each £1 of premium, but where the taxable income does not exceed £135 will be 1s. 6d.

(On policies issued before June 22nd, 1916, the abatement will be at a higher rate if the income exceeds £1,000.)

CONDITIONS DISCUSSED

Condition (a) is very simple. For example, if a man with an income of £600 per annum paid £120 in life assurance annual premiums, he would not get an abatement in respect of £120, but only of £100—one-sixth of his income.

We may illustrate condition (b) as follows: A man takes out a £200 ten-year endowment assurance for a premium of £20 per annum. On his £20 of premium he will get an allowance in respect of £14 only, i.e., £7 per £100 assured.

In the case of a double endowment where £100 is payable at death and £200 at maturity, the sum assured is to be taken as £100 only. Any bonus added to the policy is not taken to be part of the sum assured.

"Annual premium" includes yearly, half-yearly, quarterly and industrial premiums, and means the amount of premium paid in the year of assessment (commencing April 6th). (This is very important, as many persons who pay industrial premiums are within the ranks of income-tax payers.)

If a man pays a single premium of even £90 per cent., he will get an allowance on £7 per cent. only, and only for the year in which the premium is paid, and the one-sixth of income limit also applies.

GENERAL REMARKS

For life assurance abatement purposes it does not make any difference, whether the income is wholly earned or wholly or chiefly "investment" income.

A man may escape tax altogether by means of life assurance:—

Example:—

Married Man With Two Children

Total income (all earned)		£350
Deduct one-fifth		70
Assessable income		£280
Deduct allowance (married)	£170	
Deduct allowance (two children) ...	100	
		£270
Taxable income at 1s. 6d. ...		£10

If this man pays a life assurance premium of £10 he will escape tax, and similarly in many other cases.

Example:—

Single Person

Total income (all earned)		£150
Deduct one-fifth	£30	
Deduct personal allowance	£100	
		£130
Taxable income at 1s. 6d.		£20

If this single person pays a life assurance premium amounting to £20 a year he (or she) will escape tax.

The Family Income Argument

AN EXCELLENT POLICY COVERING THE DIFFICULT YEARS

GOOD AND NEW

The Family Income policy was introduced early in 1930, and it has since "swept the world." Put forward by one company, it is now (in one or another of its variations) offered by hundreds of companies all over the Globe. Tragically enough, the man most responsible for issuing it, Mr. Philip Burnet, showed one of its advantages by his own fate. Within two years of its issue, he died suddenly from heart failure, whilst still in the prime of life.

The Family Income policy provides an income for the family in the event of the breadwinner's early death. It may be said that all life assurance does that. Just so; if the policy is big enough. But that is the point. The average man, especially the young married man, cannot pay for a policy which is big enough—that is, a policy of the usual type. He can pay for a big enough policy of the Family Income type.

A COMMON DIFFICULTY

Take a man of round about 30 years of age, with a wife and, say, two children. He is efficient at his job and earns a decent salary. But when all the expenses of living have been met he has not a large margin. He can see that if he were to die, his widow and children would be most awkwardly placed. He needs insurance. He would be very glad if he could make provision whereby, if he died, they could have £3 a week until, at least, the children were properly educated and nicely launched in life.

Before the introduction of the Family Income type of policy, he could not have got the protection which he wants at a less cost than £50 to £60 a year. By means of the Family Income policy he can get it for about half that cost!

MAIN POINTS OF THE POLICY

It is not possible in the space available to give a description of the various Family Income policies in existence. Though in essentials they are alike, they vary widely in their details. The essentials are, however, sufficient for present purposes. They are on the following lines:—For a premium from £25 to £35 a year (depending upon age at entry) the man whom we have in mind can obtain a policy which guarantees (1) that, if he dies within 20 years from the date of the policy, his successors will have an income of £150 a year from his death until 20 years from the date of the policy, and then will receive a lump sum of £1,000 and profits, and (2) that if he dies after 20 years from the date of his policy, his successors will get a lump sum of £1,000 and profits.

AN ILLUSTRATION

Let us take a case: Mr. A. takes out a Family Income policy on December 21st, 1934. If he dies before December 21st, 1954, his successors (e.g. his widow) will receive £150 a year until December 21st, 1954, and on that date (December 21st, 1954) will receive, in final discharge of the policy, the lump sum of £1,000 and profits. (In some varieties of this policy the profits and a proportion of the lump sum are paid at the assured's death).

If Mr. A. dies after the 20 years have run out (that is, after December 21st, 1954, in the present case), the policy provides the usual insurance benefits, namely, £1,000 and profits at death.

In other words, the Family Income policy gives a very special cover for the period of difficulty—20 years from the date of the policy.

At various times, we have made numerous calculations of the results of Family Income policies of one type and another. The following is one of them, based on the assumption that the assured dies six months after taking out the policy; he pays in £26, and his widow in the ensuing 19½ years draws out no less than £4,068.

SOLVING THE PROBLEM IDEALLY

It is hardly necessary to say more about such a policy, but a few words may not be out of place by way of emphasis of the ideal way in which the Family Income policy meets the needs of the man whom we have in mind. He can get adequate insurance under the Family Income policy for a premium equal to about 10s. a week. If he cannot afford that much, he can get half the benefits for half the premium.

The new policy meets his needs precisely: at the end of 20 years his children will be grown-up, and will not need further protection. Further, if he lives the 20 years, he will, in all probability, have accumulated means of his own or, otherwise, will be in a better position. It is just the next 20 years which create his problem—a problem which this policy alone will properly solve.

NO "SNAG"

We would add that the new policy enjoys the usual abatement of income-tax advantages, and that in every respect the policy conditions and privileges are the normal ones, applicable to policies of the old type.

There is no "snag" about the policy. It is new. It is ideal. And it has been received with open arms—throughout the civilised world.

The Family Income policy can also be obtained in Endowment form—the sum assured and profits being payable to the assured if at the end of the selected term he be then alive.

The Simplest Argument

"£32 PROFIT ON EVERY £100 INVESTED AND THE LIFE INSURED, TOO."

FOR EVERYDAY USE

The simplest financial statement to put before prospects who want to know whether the endowment assurance which they are considering will be profitable, is on the following lines—taking a twenty year endowment assurance with profits:—

Sum assured	£100
Twenty years' bonus at 36s.	36
Total amount drawn out at end of 20 years ...	£136
Total amount paid in, namely, 20 annual premiums at £5 4s.	104
Policyholder's profit	£32

SIMPLE AND ATTRACTIVE

This shows the amount which can be paid in *at most*, namely, if the assured lives for the whole twenty years. And it shows the amount which will then be drawn out, providing that the bonus is 36s. per annum throughout the term, or averages that figure.

But when putting forward a financial statement such as the above the canvasser should say that the life is insured throughout, and that in the event of death, the profit would be greater. And if necessary, he can illustrate this by a similar financial statement, showing the position, for instance, in the event of death after ten years.

INCOME-TAX

The above statement takes no account of the income-tax allowance, and if the prospect pays income-tax, it is in order to prepare the statement on the basis of the

net premium. Thus, such a prospect paying a £5 4s. premium would get his income-tax reduced by 7s. 9d. [depending on the circumstances—see p. 160], and so his net outgo on the policy would be £4 16s. 3d. per annum, and the total paid in during the twenty years would be £96 5s. 0d.—giving a profit of £39 15s. 0d.

But usually the simple financial statement (such as that first given) is prepared for persons who do not pay income-tax, and largely it is for such persons that we give it here. We have given investment comparisons on other pages.

KEEPING TO SIMPLICITY

It is true that the above financial statement does not show the rate of compound interest earned by the investment in the policy.

But, in practice, we find that the prospect who does not pay income-tax does not usually bother about compound interest. He (or she) sees that the premiums are returned with a £32 profit, or interest, and, well—£32 profit on an investment of £104 satisfies most people, especially as the cover of the life is " thrown in."

There is one other point. It is not everybody who understands compound interest or is " good at figures," and for that reason we may often be best advised to keep to such a simple financial statement as that illustrated, even when we are canvassing prospects who pay income-tax. If people do not follow figures readily we are only wasting time and creating confusion by giving them. Generally, it is wise to make things as simple as possible, and our simple financial statement will be effective in a good number of cases.

A GOOD EXAMPLE

If the canvasser can get a proposal on the basis of £32 profit on every £100 invested, he need not bother about the *rate* of interest. Our advice to readers is: Discuss rates of interest only if necessary. As a steady rule, keep to simplicity.

We know a successful agent who specialises on fifteen-year endowment assurances with profits, believing them to be the most popular with his clients. He has had a small card prepared, concluding with the following example:—

Cash drawn out at end of 15 years	
Policy £100, Bonus £27	£127
Cash paid in	
£7 a year for 15 years (equal to 2s. 8d. a week)	105
Policyholder's profit	£22

Nothing can be simpler than this, though it will need slight adjustments in accordance with the age of the assured and the bonus paid by the office. Moreover, we would, ourselves, prefer a statement or footnote showing that the bonus is estimated. Bonuses should not be "promised."

The Death Duty Argument

DEATH DUTIES AND THE BEST MEANS OF PROVIDING FOR THEM

The rates of Estate Duty payable in respect of estates are shown in the following scales:—

Principal Value of the Estate. Exceeding.		Not exceeding.	Rate per cent. of duty.	Amount Payable.		
£100	to	£500	1	£1	to	£5
500	,,	1,000	2	10	,,	20
1,000	,,	5,000	3	30	,,	150
5,000	,,	10,000	4	200	,,	400
10,000	,,	12,500	5	500	,,	625
12,500	,,	15,000	6	750	,,	900
15,000	,,	18,000	7	1,050	,,	1,260
18,000	,,	21,000	8	1,440	,,	1,680
21,000	,,	25,000	9	1,890	,,	2,250
25,000	,,	30,000	10	2,500	,,	3,000
30,000	,,	35,000	11	3,300	,,	3,850
35,000	,,	40,000	12	4,200	,,	4,800
40,000	,,	45,000	13	5,200	,,	5,850
45,000	,,	50,000	14	6,300	,,	7,000
50,000	,,	55,000	15	7,500	,,	8,250
55,000	,,	65,000	16	8,800	,,	10,400
65,000	,,	75,000	17	11,050	,,	12,750
75,000	,,	85,000	18	13,500	,,	15,300
85,000	,,	100,000	19	16,150	,,	19,000
100,000	,,	120,000	20	20,000	,,	24,000
120,000	,,	150,000	22	26,400	,,	33,000
150,000	,,	200,000	24	36,000	,,	48,000
200,000	,,	250,000	26	52,000	,,	65,000
250,000	,,	300,000	28	70,000	,,	84,000
300,000	,,	400,000	30	90,000	,,	120,000
400,000	,,	500,000	32	128,000	,,	160,000
500,000	,,	600,000	34	170,000	,,	204,000
600,000	,,	800,000	36	216,000	,,	288,000
800,000	,,	1,000,000	38	304,000	,,	380,000
1,000,000	,,	1,250,000	40	400,000	,,	500,000
1,250,000	,,	1,500,000	42	525,000	,,	630,000
1,500,000	,,	2,000,000	45	675,000	,,	900,000
2,000,000	,,	—	50	1,000,000		—

Interest on Outstanding Duties.—The rate of interest charged on all death duties outstanding is 3 per cent.

These duties impose a very serious liability upon all estates, particularly the larger ones.

The Estate Duty has to be paid before the heir can obtain legal possession of the estate. "The duty has to be paid not later than six months after the death, though in the case of freehold property there is an option to pay by instalments with interest."

If there is no insurance it is sometimes inevitable that there be a forced sale of some part of the estate so as to discharge the Estate Duty debt. A forced sale during a time of depression may mean heavy loss, thus increasing the depletion of the estate. *If there is an adequate life insurance policy in existence, there is no forced sale, and no loss.*

LORD DALHOUSIE'S EXAMPLE

The death duties on the estate of Lord Dalhousie, who died on December 3rd, 1928, amounted to about £137,000, and that the Earl held life policies for £134,442.

The rates of duties have been increased since that date, namely, by the Finance Act, 1930, as shown by the above table.

WHAT MILLIONAIRE DID

A fortune of £2,058,814 (net personalty £1,944,755) was left by Mr. Vernon James Watney, a former chairman of Messrs. Watney and Co., brewers, and Master of the Brewers' Company, who died on August 27th, 1928, at the age of 67.

The duty on the property at this valuation and according to the dispositions of the Will amounted to nearly £850,000.

In his Will he said that he had insured his life heavily to provide, as far as possible, for death duties, and he expressed the earnest wish and hope (but without creating any trust in the matter) that his successors at Cornbury, his home at Charlbury, Oxfordshire, would do the same.

WHAT AN EARL DID

The late Earl of Leven and Melville, who died on June 11th, 1913, stated in his Will that he had effected a large insurance on his life, involving the payment of a large premium, in order to provide for the death duties payable on his decease—which duties amounted to the large sum of £120,000. His Will declared that he was desirous of inducing each successor to the title and estates to effect an insurance on his life for a similar purpose; and it concluded that should any successor not give effect to this wish within six months of his succession, he desired that the benefit of the policy should pass to the next in succession.

That is to say, the Earl, who led an active business life in the highest financial circles up to the time of his death, sought the help of insurance to maintain the estate and prevent a forced sale.

AN ILLUSTRATION

But even that is not all a policy does. Let us illustrate, by an imaginary case, the course of a policy and what it covers.

Mr. X, aged 45, is possessed of considerable property. He is aware of the Estate Duty and other financial difficulties which will arise when he dies, and to obviate distress as much as possible at a time which, of necessity, must be painful, he insures his life for the amount of duty, which is, let us say, £10,000. He takes out what is termed a Death Duty Policy, payable at death, for that amount at an annual premium of £330.

Under the terms of the policy, when the assurance company receives notification of death with the proper forms, it will pay over the sum assured to the Inland Revenue Authorities immediately, without waiting for the grant of Probate. There is no forced sale, no inconvenience, no waiting, no raising a loan.

Exactly what this means can only be fully realised by those who have experienced the difficulties attendant on the duties of an executor.

THE EFFECT OF THE INCOME TAX PROVISIONS

But the net outlay will be considerably less than £330 per annum, for Mr. X will be entitled to a rebate of income-tax at 2s. 3d. in the £ of the premiums (see p. 160).

This saving is earned by the policy only, and so stands to its credit. Its effect is to reduce the premium of £330 to £292 17s. 6d.

The Bonus Argument

THE CANVASSING FACTS AND FIGURES

The bonus argument is in two parts—widely different and distinct. We may urge a man to insure before the year-end, so as to secure this year's bonus. Or we may make use of the bonuses on an existing policy to pay for a new policy.

GETTING THIS YEAR'S BONUS

Taking the first part, we have the following simple facts. Our insurance offices value their assets and liabilities periodically—once a year usually, in the case of the industrial-ordinary offices. If the year-end of an office is December 31st, it makes a valuation as at that date, ascertains its divisible profits and distributes them to with-profit policyholders then on its books. Thus, if a man insures even in the last week of the year, he will get the bonus for the year equally with every other person who is a with-profits policyholder. It would be quite possible, for instance, for a young man to take out a £200 whole life policy now, at an annual premium of £4, and to have £4 added to his policy as at midnight on December 31st next, presuming that the bonus is £2 per cent.

THE EFFECT

The value of this advantage depends on the practice of the office. But, in some offices, by completing before the year-end the policyholder is insured throughout his life for a larger sum (the amount of one year's bonus) than he would be if he completed in the new year. In the case of a £1,000 policy the difference is £20 (assuming bonus of £2 per cent.).

Under endowment assurances the difference is not so pronounced—if the assured lives. He has had his life covered throughout the term for a slightly larger sum, but there is no necessary difference in the amount drawn at maturity.

USING BONUS TO BUY A NEW POLICY

The other bonus argument is more involved, and goes more deeply into figures. However, expressed simply, it is this: Where a policy is within a few years of maturity, and has upon it a considerable amount of bonus, then by surrendering a portion of that bonus year by year until the original policy matures, a new assurance, itself carrying bonus, can be created. The assured need make no actual cash payment until the time arrives when the premiums on the first policy cease.

What are the advantages of surrendering the reversionary bonus on an existing policy, and using the cash to create a new policy? They may be set out as follows:—

1. An additional insurance is created without the assured having to make any actual payment of cash during the existence of his first policy. Put in another form, he increases his assurance without adding to his present expenses.

2. Although by surrendering the bonus on his first policy he loses a small discount for cash, this is compensated for by the value of the bonus credited under the new policy.

3. By assuring earlier than he otherwise would (we are assuming he intends to take out a new policy when the old one matures), he gets a lower premium. For example, the premium for a twenty-year endowment, with profits, at age 40, is £5 10s.; at age 45, £5 14s.

4. If the original policy matures at age 45, then by utilising the bonus on it to pay the premiums on a fresh endowment assurance he can have the advantage of the second policy maturing five years earlier than if he waited until his first policy were paid out before insuring again.

5. He avoids incurring the risk that during the five years something may happen that will render him an uninsurable life.

A ROUGH SCALE

To be amply sufficient to provide for the payment of the new premiums until the premiums on the original policy are all paid up, the following is a rough scale of

the amount of bonus which should have accrued on the original policy before a canvass such as we have outlined is made: —

To pay the premiums on a twenty-year endowment policy for £100, with profits at age 40 next birthday, for:—

5 years	... ...	£25	bonus on	original	policy.
4 ,,	... ...	£20	,,	,,	,,
3 ,,	... ...	£15	,,	,,	,,
2 ,,	... ...	£10	,,	,,	,,
1 ,,	... ...	£6	,,	,,	,,

These amounts, with the bonuses to be added to the original policy during its closing years, will provide all that is necessary for the payment of the premiums on a new one until premiums have ceased on the old. These amounts will leave the bonuses on the new policy quite intact, a point which is important in our canvass.

With the material in hand, then, let us see how the plan works out in actual figures.

SOME ILLUSTRATIONS

Take the case, first, of an assured aged 40 next birthday, who has a policy due to mature in about 5 years' time, upon which £25 stands credited. In the 5 years we shall assume that another £8 is added, so that, for the purpose of paying premiums upon a new assurance, there is an available bonus of £33. This is more than sufficient to keep in force a £100 20-year endowment with-profit policy, without any actual payment of cash by the assured for five years, as the following table shows:—

BONUS SURRENDERED

	Amount. £ s. d.	Producing In cash. £ s. d.	Net loss. £ s. d.
1st year ...	7 0 0	5 12 0	1 8 0
2nd ,, ...	6 15 0	5 12 6	1 2 6
3rd ,, ...	6 10 0	5 12 8	0 17 4
4th ,, ...	6 5 0	5 13 6	0 11 6
5th ,, ...	6 0 0	5 14 0	0 6 0
	£32 10 0	£28 4 8	£4 5 4

A similar table for policies having four, three, two or one years to run can easily be compiled. Take, for instance, the two years:—

ORIGINAL POLICY TWO YEARS TO RUN
BONUS SURRENDERED

	Amount.	Producing In cash.	Net loss.
	£ s. d.	£ s. d.	£ s. d.
1st year ...	6 5 0	5 13 6	0 11 6
2nd „ ...	6 0 0	5 14 0	0 6 0
	5 0	£11 7 6	£0 17 6

LOST BONUS REGAINED

The column headed " Net loss " refers to the difference in value between the amount of reversionary bonus surrendered and its cash equivalent. For getting the use in cash of an amount which, normally, would be payable with the sum assured some time ahead, the assured has to lose a certain discount; but it should be pointed out that the bonus thus used goes to create further bonus. For example, the " Net loss " to the man who used his bonus for five years is £4 5s. 4d. When, however, his original policy matures there will have accrued on his new policy a bonus of £10, which will then have a cash surrender value of £5 8s. 4d. (assuming, as before, a £2 bonus).

In canvassing, under this scheme, do not refer to it as a " concession " given to certain policyholders; it is not.

Finally, as these transactions are not fully completed for a number of years (until the original policy matures) and assured's memories are exceedingly " tricky," put a business-like summary of your proposals on paper, and give it to each assured to keep by him for his future guidance. Remember, too, that bonuses are not guaranteed.

The Whole Life Argument

THE LARGEST COVER FOR THE SMALL PREMIUM

THE BEST TESTIMONY

My first three policies were whole life assurances. It was only when I had covered what I believed were my pressing responsibilities that I turned to endowment assurances. The last policy which I have taken out was a whole life limited payment policy.

Take the average case of a married man, aged 30, with two children. His surplus, after meeting the thousand and one expenses of living, is not great.

THE NEED IN MANY CASES

However, we have canvassed him and he is convinced that in view of his responsibilities he should insure his life. He is young and healthy, and though, of course, he could "do" with more money, he is not pretending that life is too hard and that it is utterly impossible for him to insure. He can afford, say, £5 a year.

What are we to give him for his £5? If he could afford, say, £10, or a little more, I should offer him, nowadays, the Family Income policy. But suppose his limit is £5. He likes the idea of drawing out in his lifetime: he does not want to go on paying " for ever." But then we can give him a whole life policy for well over £200 for his £5 premium, while we can only give him the following cover, approximately, under endowment assurances:—

30 year term	£150
25 year term	£128
20 year term	£100
15 year term	£75

WHAT IS BEST FOR HIM

In the foregoing I have indicated perhaps the best of the whole life canvassing arguments. The whole life policy gives the most cover for the premium—that is omitting the " fancy " policies.

The remaining canvassing arguments I can best indicate in the form of answers to objections.

THE COMMON OBJECTION

What are we to say to men who want to draw the money in their lifetimes and do not want to pay for ever? Well, that is a remark which we often hear, but actually, what substance is there in it? The first of my own whole life policies is thirty-seven years old, and I have not yet felt that I made a mistake in taking it. And I do not expect that I shall do so. It is a good policy, and I am actually getting an annual bonus on it greater than the annual premium which I pay for it. It is not a burden: it is a good investment: it will provide a useful sum when I die.

And what about men whose health becomes impaired?

AN INSTANCE

Many years ago I sold two policies to a prospect—one a whole life and the other a twenty-year endowment assurance. He was undecided which kind of policy to have, and eventually split the premium between them. (Often enough this is a good plan to suggest.) When I paid him the matured endowment a little time ago he said he was afraid that he had made a mistake in not having kept to his first preference and put the whole premium in a twenty-year endowment; and I began to think so, too, for he refused to take out another policy, seeing that the whole life was remaining in force. However, when last I collected his whole life premium he had changed his tune. He had been very ill and could not look forward to a long life. He felt that it would have been very much better for his wife if he had had a whole life policy for three times the amount, and had *not* taken the endowment assurance.

A LITTLE ARITHMETIC

Instances of a similar character could be multiplied. If a man lives thirty years the whole life policy may still be the best investment which he ever made. Consider a young man who takes out a whole life policy at a premium of £2 per annum, the bonus averaging £2. At the end of thirty years his premiums accumulated at 4 per cent. compound interest net (equal to 5 per cent. gross, with income-tax at 4s.) will only amount to £116, whereas his policy assures him for £160.

Let me add that a whole life policy is a good answer to the business man who says that he can do better with his money, and that it is often the wisest course when canvassing business men to attack by means of a whole life policy running into four figures.

LIMITED PAYMENT—WHOLE LIFE

Business men are often specially attracted by a whole life policy under which the annual premiums are limited to a selected number. This class of policy covers another objection sometimes heard, namely, that a whole life policy may be a burden in later life. Further, some business men like to know the most that they will have to pay in premiums, having a suspicion (often unfounded) "that if they live to old age the policy will be very unprofitable."

It is a good plan to canvass for these policies on the basis that premium payments will cease about the time that the prospect will want to retire from business, say, at age 60. On a business man aged 35, a whole life policy, with premiums limited to 25 annual payments, would thus be very suitable.

The premium is larger than the pure whole life premium, that is, a £5 premium would secure a smaller sum assured, but the surrender values are somewhat larger in proportion.

AQUILA.

GROSS AND NET RATES OF INTEREST

To many people, finance is a puzzling subject. For that reason we strongly advise readers against canvassing in a style which depends on a knowledge of finance, beyond, say, simple multiplication. It is all the better for our policy if our "prospect" has a good knowledge of finance; he will see at once that our points are perfectly good. But it is easily possible to fog a prospect with even good points. Readers should keep acquiring financial knowledge, as opportunity serves, but they should make use of it only when necessary.

We think, however, that when a prospect says that he can invest his savings to produce, say, 4 per cent. interest, the agent should try to make him understand the difference between gross and net interest. For instance, if such a prospect (A.B.) invested £100 he would not get £4 interest in the year. Income-tax would be deducted from the £4. As long as the standard rate of income-tax remains at, and A.B. is liable to it at, 4s. 6d. in the £, A.B. will get £3 2s. 0d. net interest, namely, £4 less 18s. income-tax. This is only 3 1/10th per cent. interest net. Similarly, 5 per cent. gross is only 3⅞ per cent. net.

The importance of this is that, as an investment, a 15 year Endowment Assurance yields 3¾ per cent. interest, net—depending on the age, bonus, etc. If the bonus is 36s. per cent., the 15 year Endowment Assurance will mature by survivance for £127. *No income-tax is payable on the policy profit.*

Therefore our policy is better than an investment producing 4¾ per cent. interest, gross (3¾ net).

But in some cases A.B. will not be liable to tax at all, and in other cases at only 1s. 6d. in the £. If A.B. is not liable to income-tax, the 18s. deducted from his 4 per cent. investment would be returned to him on application. In that case his 4 per cent. investment would produce 4 per cent. net.

Or if A.B. was liable to income-tax at only 1s. 6d. in the £, 12s. of the 18s. deduced from his 4 per cent.

investment would be returned, or allowed, to him in one way or other, and so he would get £3 14s. 0d. interest.

But a good many people are liable to deduction at the full standard rate. The 1s. 6d. rate comes to an end at a comparatively low limit, and if anyone invests any money whatever after that limit is reached, he will have to pay tax on the annual income from that investment, at the full standard rate.

HOUSE PURCHASE—WITH A SAFEGUARD

An Outline of the Canvassing Facts

The days have gone when only people of substantial means can buy the houses they live in. Since the war quite a large number of people with moderate incomes and little capital have bought the houses they live in. It is their own property, or ultimately will become so, and they can take an interest in its repair and improvement with a pride of interest that only possession can bring. But in all parts of the country there are still large numbers of people who have a desire to own their houses but are a little diffident about taking on the liability that purchase demands. They are paying rent but would much prefer the sums paid to be converted into purchase money.

We can help them in this direction. Married men of fairly good and regular employment, from work-people to middle-class, are good prospects.

A SPECIAL PLAN

Most offices issue a special prospectus for this class of business, and also instructive leaflets. A study of these should be carefully made by the agent, when, having become familiar with the useful points, he can make his brief explanatory statement. To simplify this, in some cases, the prospect might be taken through the

different points made in the prospectus and amplified as the canvass proceeds and as occasion demands.

The question is, " What is the best method to buy a house to live in ourselves if we have not got the necessary cash to complete a purchase?" The Building Societies come to the mind of most people and the best of these institutions have been of great assistance.

It is essential in the purchase of a house for people of moderate means, that the liability to repay the loan should be covered by insurance. In fact, it is only common sense to say that no such transaction should be entered into without this necessary safeguard. Our system insures the borrower to the amount borrowed and in consequence his dependants have a safeguard if he should die before maturity of the policy. This protection, the insurance cover, is not ordinarily provided for by the Building Society constitution, though to accommodate borrowers some of them are prepared to make an arrangement with an insurance office—thus recognising a necessity beyond their own scope and within ours.

WEAKNESS OF OTHER PLANS

Many people who have built or bought through a Building Society have suddenly bethought themselves, " But what would happen if I die? How will my widow carry on, with income lost and perhaps a heavy liability on the house remaining?" Quite necessary questions, but rather late to ask them after the transaction is completed.

Of course, the widow could try to sell—and perhaps suffer whilst waiting for a purchaser. In any case, under such desperate circumstances, the sale is often effected at a loss, anything to be relieved of the burden of liability. If she cannot sell and the monthly instalments get in arrear, the Society would require the house to be vacated and would put the terms of the mortgage deed into action. I am not criticising Building Societies, I am merely pointing out there is a wrong way and a right way to go about purchasing a house.

A house for residence is occasionally bought through private mortgage, but it is usually even a worse method than through a Building Society. The absence of a definite term of agreement may place the borrower in Queer Street at any time. If the lender finds he can fix up a more profitable investment over a term of years he may give short notice, usually six months, to terminate the agreement, and the mortgagor may find great difficulty in arranging a fresh loan on favourable terms. Considering these disadvantages, we can plainly assert, and prove, that such methods are *not* the most advantageous way of buying a house. Our method is the correct one, because dependants are protected right through the purchase period.

Our prospect will need to have a little money saved in one way or another, and it is thrifty people who do save and look ahead who will make our most likely prospects. There are plenty of these people about. The State has many millions of pounds of the people's money in National Savings Certificates. There are a few millions saved in other ways; saved in small sums and accumulating year by year.

In canvassing House Purchase Assurance our main point to make is its economical advantages, the point that will make the strongest appeal to the thrifty person. Let us take a small house by way of example and see how we may state our case.

A TYPICAL CANVASS

Mr. and Mrs. C. are now paying a weekly rent of 25s., which includes general and water rate. "You are both young people, about thirty years of age, say, and you might very easily live to pay rent for another thirty years or more. Do you realise that at 25s. per week you would in thirty years' time have paid to the owner a sum of nearly £2,000 for the privilege of living in his house? At the end of that time the house is no more your own property than it is at present. You cannot fail to see that this is a most wasteful method.

You, who are naturally good living, thrifty people, will surely never be content to let your hard-earned money slip away in this extravagant manner.

"Now compare this house purchase plan of ours and note how economical it is, and let me also ask you to consider, Mrs. C., what your position would be if anything happened to Mr. C. and the house you live in did not solely belong to you.

"As an example, let me take one of the new houses going up on the Lorne estate. They are sold freehold, the purchase price being £650; my company would advance eighty per cent. of this amount, that is £520. Your deposit would be £130, and you would require another £10 or so for Surveyor's and Solicitor's fees.

"To cover this advance of £520, we should, Mr. C., providing your health proved satisfactory, issue a policy of insurance on your life for £550. This would be a with-profit endowment policy, payable in twenty years, or payable at death if it occurred before the twenty years expired. It would increase in value as bonus accumulated.

"This method not only supplies the purchase money less your own deposit, but covers the risk of your decease. In that possible event, the amount of loan outstanding at the time would be paid by the proceeds of the policy and the transaction is completed. A similar procedure would take place at the end of the 20 years' term; the outstanding amount paid and any balance over that amount is paid to you, either at death or at the maturity of the policy.

"Your liability in the meantime, instead of rent, is the premium to secure the policy and the interest on the loan. This interest is 4½ per cent. on any outstanding amount of loan.

HOW IT WORKS OUT

"Now I will show you how economically this works out. Your annual premium for £550 of assurance would be £28 6s. 6d.; less income-tax rebate at 2s. in the £, the net annual cost being, say, £25 10s. 0d. Interest would amount to £24 15s. 0d. And we may say general and water rate on the new house about £15. Putting these three items together, we arrive at a fair estimated cost of £65 per annum. You are now paying 25s. as rent. Under this plan your rent buys your house. If you carry on for the full 20 years the property is solely yours and you have a balance to come from our office. If anything should unfortunately happen to Mr. C. before that time the deeds are handed over without further liability."

Such items as income-tax to be deducted from interest and income-tax payable on assessment value of house there is no space to deal with here. It may, however, be necessary to point out that tax is payable on house value in the same way that it would be on other investments.

CASH VALUE OF EACH £10 REVERSIONARY BONUS PAYABLE AT DEATH.

Age Attained.	Om. 3 per cent.			Om. 3½ per cent.			Om. 4 per cent.			Om. 4½ per cent.			O[m] 4 per cent.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
20	3	1	11	2	12	6	2	4	11		..		2	6	10
25	3	8	8	2	19	1	2	11	1	2	4	7	2	11	11
30	3	16	2	3	6	3	2	18	1	2	11	2	2	17	11
35	4	4	2	3	14	3	3	5	10	2	18	9	3	4	11
40	4	12	10	4	3	0	3	14	6	3	7	2	3	13	0
45	5	2	3	4	12	8	4	4	3	3	16	10	4	2	2
50	5	12	3	5	3	1	4	14	10	4	7	7	4	12	3
55	6	2	10	5	14	3	5	6	5	4	19	4	5	3	2
60	6	13	8	6	5	9	5	18	7	5	11	11	5	14	6
65	7	4	4	6	17	4	6	10	10	6	4	10	6	6	0
70	7	14	6	7	8	6	7	2	10	6	17	6	6	17	3
75	8	3	9	7	18	9	7	14	0		..		7	7	10
80	8	11	9	8	7	9	8	3	10		..			..	
85	8	18	6	8	15	3	8	12	2		..			..	
90	9	3	9	9	1	3	8	18	10		..			..	

Age Attained.	O[m] 4½ per cent.			O[m] 5 per cent.			Om. (5) 3 per cent.			E.C.(m) 4½ per cent.			Am.(5) 3½ per cent.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
20	2	0	10	1	15	10	3	5	3	1	10	3	2	8	2
25	2	5	0	1	19	9	3	11	0	1	14	9	2	13	11
30	2	10	10	2	5	2	3	17	7	1	19	8	3	0	8
35	2	17	6	2	11	7	4	5	1	2	6	2	3	8	10
40	3	5	10	2	19	2	4	13	5	2	14	0	3	18	3
45	3	14	2	3	8	0	5	2	8	3	3	4	4	8	11
50	4	5	0	3	18	2	5	12	7	3	14	5	5	0	6
55	4	15	10	4	9	2	6	3	1	4	7	1	5	12	7
60	5	7	6	5	1	2	6	13	10	5	0	10	6	4	11
65	6	0	0	5	13	7	7	4	5	5	15	9	6	16	10
70	6	11	8	6	6	0	7	14	6	6	10	6	7	8	1
75	7	4	8	6	18	0	8	3	9	7	5	1	7	18	2
80		..		7	10	0	8	11	9	7	16	11	8	6	11
85		..			..		8	18	6	8	5	6	8	14	3
90		..			..		9	3	9	8	12	3	9	0	1

Age Attained.	Hm. 3 per cent.			Hm. 4 per cent.			Hm. 4½ per cent.			Hm. 5 per cent. (Textbook II).		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
20	3	5	9	2	8	11	2	2	9	1	17	6
25	3	11	8	2	14	2	2	7	7	2	2	3
30	3	18	5	3	0	6	2	13	8	2	7	8
35	4	5	11	3	7	8	3	0	7	2	14	4
40	4	14	1	3	15	11	3	8	7	3	2	2
45	5	3	4	4	5	4	3	18	0	3	11	6
50	5	13	2	4	15	10	4	8	7	4	2	2
55	6	3	9	5	7	4	5	0	4	4	14	1
60	6	14	6	5	19	6	5	12	11	5	7	0
65	7	5	1	6	11	9	6	5	9	6	0	4
70	7	15	5	7	3	11	6	18	8	6	13	8
75	8	4	8	7	15	1	7	10	8	7	6	4
80	8	12	4	8	4	7	8	0	11	7	17	3
85	8	18	3	8	11	10	8	8	10	8	7	4
90	9	4	0	8	19	2	8	16	10	8	15	1

CASH VALUE OF EACH £10 REVERSIONARY BONUS PAYABLE AT DEATH.

Age Attained.	A.1924-29 Ult. 3%	A.1924-29 Ult. 3¼%	A.1924-29 Ult. 3½%	A.1924-29 Ult. 3¾%	A.1924-29 Ult. 4%	A.1924-29 Ult. 4½%	A.1924-29 Ult. 5%
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
20	2 10 4	2 5 6	2 1 2	1 17 4	1 13 11	1 8 2	1 3 8
25	2 16 7	2 11 6	2 6 11	2 2 10	1 19 2	1 13 0	1 7 11
30	3 3 10	2 18 7	2 13 10	2 9 7	2 5 8	1 19 0	1 13 6
35	3 12 3	3 6 11	3 2 0	2 17 7	2 13 6	2 6 5	2 0 5
40	4 1 8	3 16 4	3 11 5	3 6 10	3 2 8	2 15 3	2 8 11
45	4 12 1	4 6 10	4 1 11	3 17 5	3 13 2	3 5 6	2 18 11
50	5 3 6	4 18 5	4 13 9	4 9 3	4 5 1	3 17 6	3 10 9
55	5 15 8	5 11 0	5 6 6	5 2 3	4 18 3	4 10 10	4 4 2
60	6 8 3	6 3 11	5 19 10	5 15 11	5 12 3	5 5 3	4 18 11
65	7 0 6	6 16 9	6 13 1	6 9 8	6 6 3	6 0 0	5 14 1
70	7 12 0	7 8 9	7 5 8	7 2 9	6 19 10	6 14 3	6 9 1
75	8 1 10	7 19 2	7 16 8	7 14 2	7 11 8	7 7 0	7 2 6
80	8 10 0	8 7 10	8 5 9	8 3 8	8 1 8	7 17 9	7 13 11
85	8 16 4	8 14 7	8 12 10	8 11 2	8 9 6	8 6 3	8 3 2
90	9 1 1	8 19 8	8 18 3	8 16 11	8 15 6	8 12 10	8 10 3

Age Attained.	A.1924-29 Select 3%	A.1924-29 Select 3¼%	A.1924-29 Select 3½%	A.1924-29 Select 3¾%	A.1924-29 Select 4%	A.1924-29 Select 4½%	A.1924-29 Select 5%
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
20	2 10 2	2 5 3	2 1 0	1 17 2	1 13 9	1 8 0	1 3 5
25	2 16 5	2 11 3	2 6 9	2 2 8	1 19 0	1 12 9	1 7 9
30	3 3 8	2 18 5	2 13 8	2 9 4	2 5 6	1 18 9	1 13 3
35	3 12 0	3 6 8	3 1 10	2 17 4	2 13 3	2 6 2	2 0 2
40	4 1 5	3 16 0	3 11 1	3 6 7	3 2 4	2 14 11	2 8 7
45	4 11 9	4 6 5	4 1 6	3 17 0	3 12 9	3 5 1	2 18 5
50	5 3 0	4 17 11	4 13 2	4 8 9	4 4 6	3 16 10	3 10 1
55	5 15 0	5 10 3	5 5 9	5 1 6	4 17 5	4 10 0	4 3 3
60	6 7 3	6 2 10	5 18 9	5 14 9	5 11 0	5 4 0	4 17 6
65	6 19 1	6 15 3	6 11 7	6 8 0	6 4 7	5 18 2	5 12 2
70	7 10 1	7 6 9	7 3 7	7 0 6	6 17 6	6 11 9	6 6 5
75	7 19 5	7 16 8	7 13 11	7 11 3	7 8 8	7 3 9	6 19 0
80	8 7 1	8 4 9	8 2 5	8 0 2	7 17 11	7 13 8	7 9 7

APPROXIMATE CASH VALUE OF EACH £10 REVERSIONARY BONUS PAYABLE AT DEATH, OR AT THE END OF THE UNDERMENTIONED PERIODS IF THE INSURER SHOULD THEN BE ALIVE.

Age Attained.	YEARS TO RUN.						
	5	10	15	20	25	30	35
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
20	..	..	..	..	4 3 8	3 18 1	3 5 1
25	..	..	..	4 17 11	4 4 8	3 14 7	3 7 0
30	..	..	5 15 8	4 19 0	4 6 3	3 16 9	3 10 0
35	..	6 17 8	5 16 5	5 0 3	4 8 3	3 19 9	3 14 0
40	8 5 1	6 18 0	5 17 5	5 2 1	4 11 2	4 3 11	..
45	8 5 3	6 18 10	5 19 1	5 5 1	4 15 8	..	..
50	8 5 6	6 19 10	6 1 6	5 9 3	..	..	..
55	8 5 11	7 1 6	6 5 2	..	..	..	..
60	8 6 6	7 4 1	..	..	..	..	..
65	8 7 5	..	..	..	..	..	..

EXPECTATION OF LIFE.

Age	Om. Table*	A 1924–1929*	Age	Om. Table*	A 1924–1929*	Age	Om. Table*	A 1924–1929*
	years.	years.		years.	years.		years.	years
10	51.96	58.15	41	27.11	30.46	71	8.25	8.30
11	51.13	57.24	42	26.37	29.58	72	7.81	7.82
12	50.31	56.34	43	25.63	28.71	73	7.38	7.36
13	49.48	55.44	44	24.90	27.85	74	6·97	6.92
14	48.65	54.54	45	24.17	26.99	75	6.58	6.51
15	47.82	53.65	46	23.44	26.13	76	6.20	6.11
16	46.99	52.76	47	22.73	25.28	77	5.84	5.73
17	46.16	51.87	48	22.01	24.43	78	5.49	5.38
18	45.34	50.99	49	21.31	23.59	79	5.15	5.04
19	44.51	50.11	50	20.61	22.76	80	4.84	4.73
20	43.68	49.23	51	19.91	21.93	81	4.53	4.43
21	42.86	48.34	52	19.23	21.12	82	4.24	4.15
22	42.03	47.46	53	18.55	20.31	83	3.97	3.88
23	41.21	46.57	54	17.88	19.51	84	3.71	3.63
24	40.40	45.68	55	17.22	18.73	85	3.46	3.40
25	39.58	44.79	56	16.57	17.95	86	3.23	3.18
26	38.77	43.89	57	15.93	17.19	87	3.01	2.98
27	37.96	42.99	58	15.30	16.44	88	2.81	2.79
28	37.16	42.10	59	14.68	15.71	89	2.61	2.61
29	36.36	41.20	60	14.07	15.00	90	2.43	2.44
30	35.57	40.29	61	13.47	14.30	91	2.26	2.28
31	34.78	39.39	62	12.89	13.62	92	2.10	2.13
32	33.99	38.49	63	12.32	12.95	93	1.95	1.99
33	33.21	37.59	64	11.76	12.30	94	1.81	1.86
34	32.43	36.68	65	11.22	11.67	95	1.69	1.73
35	31.66	35.79	66	10.68	11.05	96	1.56	1.62
36	30.89	34.89	67	10.17	10.46	97	1.47	1.50
37	30.13	33.99	68	9.67	9.88	98	1.37	1.40
38	29.37	33.10	69	9.18	9.33	99	1.23	1.30
39	28.61	32.22	70	8.71	8.80	100	..	..
40	27.86	31.33						

* Inserted by special permission of the Institute of Actuaries and Faculty of Actuaries' Joint Committee.

HEIGHTS AND WEIGHTS.

MALE LIVES.

Deduced from the records of seven British Life Offices in respect of 28,697 Medical Examinations during 1921 and 1922.

Age next Birthday	Height 5' 3"	5' 4"	5' 5"	5' 6"	5' 7"	5' 8"	5' 9"	5' 10"	5' 11"	6' 0"	6' 1"	6' 2"	Age next Birthday
	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	st. lbs.	
13	8 2	8 6	8 9	8 12	9 1	9 5	9 9	9 12	10 2	10 6	10 10	11 0	13
16	8 3	8 7	8 10	8 13	9 3	9 6	9 10	10 0	10 4	10 8	10 12	11 2	16
17	8 5	8 8	8 12	9 1	9 4	9 8	9 11	10 1	10 5	10 9	10 13	11 3	17
18	8 6	8 9	8 13	9 2	9 5	9 9	9 13	10 3	10 6	10 11	11 1	11 5	18
19	8 7	8 11	9 0	9 3	9 7	9 11	10 0	10 4	10 8	10 12	11 2	11 6	19
20	8 9	8 12	9 1	9 5	9 8	9 12	10 2	10 5	10 9	10 13	11 3	11 7	20
21	8 10	8 13	9 3	9 6	9 9	9 13	10 3	10 6	10 11	11 1	11 4	11 9	21
22	8 11	9 0	9 4	9 7	9 11	10 0	10 4	10 8	10 12	11 2	11 6	11 10	22
23	8 12	9 1	9 5	9 8	9 12	10 1	10 5	10 9	10 13	11 3	11 7	11 11	23
24	8 13	9 2	9 6	9 9	9 13	10 2	10 6	10 10	11 0	11 4	11 8	11 12	24
25	9 0	9 3	9 7	9 10	10 0	10 3	10 7	10 11	11 1	11 5	11 9	12 0	25
26	9 1	9 4	9 8	9 11	10 1	10 4	10 8	10 12	11 2	11 6	11 10	12 1	26
27	9 2	9 3	9 9	9 12	10 1	10 5	10 9	10 12	11 3	11 7	11 11	12 2	27
28	9 3	9 6	9 10	9 13	10 2	10 6	10 9	10 13	11 4	11 8	11 12	12 3	28
29	9 4	9 7	9 11	10 0	10 3	10 7	10 10	11 0	11 5	11 9	11 13	12 4	29
30	9 5	9 8	9 11	10 1	10 4	10 8	10 11	11 1	11 5	11 10	12 0	12 5	30
31	9 5	9 9	9 12	10 1	10 5	10 9	10 12	11 2	11 6	11 11	12 1	12 6	31
32	9 6	9 9	9 13	10 2	10 5	10 10	10 13	11 2	11 7	11 12	12 2	12 7	32
33	9 6	9 10	9 13	10 3	10 6	10 10	10 13	11 3	11 8	11 12	12 3	12 8	33
34	9 7	9 10	10 0	10 3	10 7	10 11	11 0	11 4	11 9	11 13	12 4	12 9	34
35	9 7	9 11	10 1	10 4	10 8	10 12	11 1	11 4	11 9	12 0	12 5	12 10	35
36	9 8	9 11	10 1	10 4	10 8	10 12	11 2	11 5	11 10	12 1	12 6	12 11	36
37	9 8	9 12	10 2	10 5	10 9	10 13	11 2	11 6	11 11	12 2	12 7	12 12	37
38	9 9	9 12	10 2	10 6	10 10	11 0	11 3	11 7	11 12	12 3	12 8	12 12	38
39	9 9	9 13	10 3	10 6	10 10	11 0	11 4	11 8	11 13	12 3	12 8	12 13	39
40	9 10	9 13	10 3	10 7	10 11	11 1	11 5	11 9	12 0	12 4	12 9	13 0	40
41	9 10	10 0	10 4	10 7	10 11	11 2	11 5	11 9	12 0	12 5	12 10	13 0	41
42	9 10	10 0	10 4	10 8	10 12	11 2	11 6	11 10	12 1	12 6	12 10	13 1	42
43	9 11	10 1	10 4	10 8	10 12	11 3	11 6	11 11	12 2	12 6	12 11	13 1	43
44	9 11	10 1	10 5	10 9	10 13	11 3	11 7	11 12	12 2	12 7	12 12	13 2	44
45	9 12	10 2	10 5	10 9	10 13	11 3	11 8	11 12	12 3	12 8	12 12	13 3	45
46	9 12	10 2	10 6	10 10	11 0	11 4	11 8	11 12	12 3	12 8	12 13	13 3	46
47	9 12	10 2	10 6	10 10	11 0	11 4	11 9	11 13	12 4	12 9	12 13	13 4	47
48	9 12	10 3	10 6	10 10	11 1	11 5	11 9	12 0	12 5	12 10	13 0	13 4	48
49	9 12	10 3	10 7	10 11	11 1	11 5	11 10	12 0	12 5	12 10	13 0	13 5	49
50	9 13	10 3	10 7	10 11	11 1	11 6	11 10	12 1	12 6	12 11	13 1	13 5	50
51	9 13	10 4	10 8	10 11	11 2	11 6	11 11	12 1	12 6	12 11	13 1	13 6	51
52	9 13	10 4	10 8	10 12	11 2	11 6	11 11	12 2	12 6	12 11	13 2	13 6	52
53	10 0	10 4	10 9	10 12	11 2	11 7	11 11	12 2	12 7	12 12	13 2	13 6	53
54	10 0	10 4	10 9	10 12	11 3	11 7	11 12	12 3	12 7	12 12	13 2	13 7	54
55	10 0	10 4	10 9	10 12	11 3	11 7	11 12	12 3	12 7	12 12	13 3	13 7	55
56	10 0	10 5	10 9	10 13	11 3	11 8	11 12	12 3	12 8	12 13	13 3	13 7	56
57	10 0	10 5	10 9	10 13	11 3	11 8	11 12	12 3	12 8	12 13	13 3	13 8	57
58	10 0	10 5	10 9	10 13	11 3	11 8	11 13	12 3	12 8	12 13	13 3	13 8	58
59	10 0	10 5	10 9	10 13	11 3	11 8	11 13	12 4	12 8	12 13	13 4	13 8	59
60	10 0	10 5	10 9	10 13	11 3	11 8	11 13	12 4	12 8	12 13	13 4	13 8	60

[Inserted by kind permission of the Institute of Actuaries.]

FEMALE LIVES.

For practical purposes a uniform deduction of about 1 lb. per stone from the weight of a male of the same height and age can be made.

Expectation of Life

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EXPECTATION OF LIFE

ıge.	Om. Select. Years.	New tables. Years.	Improvement. Years.
20 ...	42.39	49.29	6.90
30 ...	35.07	40.35	5.28
40 ...	27.74	31.42	3.68
50 ...	20.70	22.88	2.18
60 ...	14.38	15.23	.85
70 ...	9.206	9.203	nil.

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